Foreign Exchange Manual

(Updated upto March 14, 2020)

Exchange Policy Department

State Bank of Pakistan

Disclaimer

State Bank of Pakistan updates the Foreign Exchange Manual from time to time for convenience of users. Updated version of the Manual containing amendments in the regulations made through FE Circulars/Circular Letters/Notifications etc. upto March 14, 2020 is being placed at the State Bank's website (http://www.sbp.org.pk/fe_manual/index.htm). Due care has been exercised while incorporating amendments. However, in view of voluminous work involved in the above process, errors and omissions may be expected. In case of any ambiguity, users are advised to refer to the original FE Circulars/Circular Letters/Notifications on the relevant subject(s), which are available at the State Bank's website. Further, they should also immediately bring such errors/omissions to the notice of the Director, Exchange Policy Department, State Bank of Pakistan, Karachi for rectification.

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CHAPTER 1

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CHAPTER 1

INTRODUCTORY

1. Foreign Exchange Regulation Act, 1947 and Notifications issued thereunder.

Foreign exchange policy and its operations in Pakistan are formulated and regulated in accordance with the provisions of the Foreign Exchange Regulation Act, 1947 (the Act). The object of this Act is to regulate, in the economic and financial interest of Pakistan, certain payments, dealings in foreign exchange, securities, import/export of currency and bullion. Under the Act, the basic rules and regulations are issued by the Government of Pakistan and the State Bank in the form of Notifications which are published in the Official Gazette. The Act, as amended up-to date, is reproduced at the end of the Manual as Appendix-I. Notifications issued by the Federal Government under the Act, except those issued in terms of sub-section (2) of Section 19, sub-section (2) of Section 23 and Section 23-B are reproduced as Appendix-II. Further, the Notifications issued by the State Bank are reproduced as Appendix-III.

2. Directions issued under the Act.

Under the provisions of the Act, the State Bank may give directions or instructions to the Authorized Dealers, travel agents, carriers, stock-brokers and other persons who are authorized by the State Bank to do anything in pursuance of the Act, in regard to making of payments and carrying out other acts in the course of their business. Directions having general application are issued in the form of public notices, FE Circulars, Circular Letters and Notifications etc. Instructions issued by the State Bank to the Authorized Dealers, travel agents, carriers, etc. from time to time setting out the terms and conditions subject to which they may engage in transactions covered by the Act, have been incorporated in this Manual. Contents of this Manual and all instructions, directions, orders etc., issued under the Act are without prejudice to the provisions of any other law of Pakistan or any rules, notifications, orders, directions or regulations made thereunder.

3. Regulatory actions on the violation of provisions of the Act.

(i) In terms of section 3B of the Act, if an Authorized Dealer, Hotel holding restricted authorization etc. commits a contravention of any term of authorization or undertakes any unauthorized activity or attempts to contravene or assists the contravention of the general or special directions or instructions issued by the State Bank under any provision of the Act or any rule made thereunder, State Bank may suspend or cancel the authorization.

(ii) Further, section 23K of the Act empowers the State Bank to impose monetary penalties on its regulatees including Authorized Dealers, Hotels holding restricted authorization, etc. on account of violation of foreign exchange rules, regulations, instructions etc. upto five hundred thousand rupees for each contravention and, where the contravention is a continuing one, with a further penalty which may extend to ten thousand rupees for each day during which such contravention continues. In

pursuance of this section, every director, manager, officer or agent of the Authorized Dealer, Hotel holding restricted authorization etc. shall be deemed guilty of such contravention, if the contravention was committed with his knowledge or consent or if he did not exercise due diligence to prevent the commission of the offence.

4. Amendments in foreign exchange rules and regulations.

Amendments in the foreign exchange rules and regulations are issued through FE Circulars, Circular Letters and Notifications to Authorized Dealers, travel agents, shipping lines, airlines, importers, exporters, general public etc. which are placed at the State Bank's website (http://www.sbp.org.pk/epd/index.htm). These regulations are compiled in the form of Foreign Exchange Manual which is updated periodically and placed at the State Bank's website. In order to ensure compliance of all applicable foreign exchange rules and regulations, Authorized Dealer and other stakeholders should keep this Manual updated in the light of FE Circulars, Circular Letters, Notifications etc. issued by the State Bank from time to time.

5. References to the State Bank/SBP-Banking Services Corporation.

(i) Authority has been delegated to the Authorized Dealers to approve certain transactions on behalf of the State Bank as prescribed in Foreign Exchange Manual. In these cases, Authorized Dealers should, before approving any transactions, satisfy themselves about the bonafides of the applicant and the genuineness of the transaction by verifying the necessary documents.

(ii) They should refer to the State Bank/SBP-Banking Services Corporation alongwith their recommendations/comments only those cases which they are not authorized to approve, as per the following:

a) All policy matters, investment related issues, as per the list appended at *Annexure-A* of this Chapter; cases involving waiver from any provision of the FE Manual/Circulars, or where no explicit guidelines are provided in the Manual shall be referred to the Director, Exchange Policy Department, State Bank of Pakistan, I. I. Chundrigar Road, Karachi.

b) All operational matters, as per the list appended at *Annexure-B* of this Chapter, shall be referred to the Director, Foreign Exchange Operations Department, SBP-Banking Services Corporation, Head Office, I. I. Chundrigar Road, Karachi or to the respective field offices of SBP-Banking Services Corporation.

(iii) While referring cases to the State Bank/SBP-Banking Services Corporation, Authorized Dealers should ensure that the applications are on the prescribed forms, wherever such forms are prescribed, and are supported by appropriate documentary evidence. In all these cases, Authorized Dealers shall be responsible to satisfy themselves about the bonafides and beneficial ownership of the applicants, correctness of the statements/documents made/submitted by them and genuineness of the transaction.

(iv) In order to streamline the process for expeditious disposal of the cases/references, Authorized Dealers must ensure that the same are forwarded to Exchange Policy Department of the State Bank or Foreign Exchange Operations Department of SBP-Banking Services Corporation after proper review/scrutiny in the light of above referred instructions. Further, all references seeking clarification on the regulations/instructions and all other cases, except routine and prescribed statements/returns/ information, must be signed at least at the level of respective Departmental/Business/Group Head of the bank. It may carefully be noted that the references/cases received without following the above procedure shall not be attended and shall be returned back in original to the respective Authorized Dealer.

6. Stationery[1].

(i) Forms 'M', 'T-1'and 'E' will be printed by the Head/Principal Offices of the Authorized Dealers themselves strictly according to the size, contents and format of the specimens supplied to them by the State Bank. These forms should bear an identifying prefix as per Appendix-IV followed by serial numbers in six digits except in the case of form 'E' which will have seven digits. For example, the first number of all the forms printed by XYZ bank except form 'E' will be "XYZ 000001" (i.e. six digits) and so on, and in the case of form 'E', the serial number will be "XYZ 0000001" (i.e. seven digits), and so on. The other prescribed forms may also be got printed by the Authorized Dealers themselves. These must conform exactly in size, content and format to the respective forms prescribed by the State Bank.

(ii) Authorized Dealers should keep an updated record of the forms printed and distributed to their branches, which should be kept adequately stocked to avoid any complaint on account of non-availability of the forms.

7. Jurisdiction of Exchange Policy Department of the State Bank, Foreign Exchange Operations Department of the SBP-Banking Services Corporation and its Field Offices.

Under the Act, the State Bank is responsible for day to day administration of foreign exchange policy which is exercised through its Exchange Policy Department (EPD). Further, foreign exchange operational matters are handled through Foreign Exchange Operations Department (FEOD), SBP-Banking Services Corporation (BSC), Head Office, Karachi. FEOD has following offices with the jurisdiction of each Office mentioned there against:

Sr. No.	Office	Jurisdiction
1.	Foreign Exchange Operations Department, SBP Banking Services Corporation, Karachi:	Karachi Division
2.	Hyderabad:	Hyderabad and Mirpurkhas Divisions

[1]Exports are mainly being handled under EFE Module of WeBOC. However, a small percentage of exports are still being made through manual Forms 'E' (For details, please refer Chapter 12).

3.	Sukkur:	Sukkur and Larkana Divisions
4.	Quetta:	Quetta, Kalat, Sibi and Makran Divisions
5.	Lahore:	Lahore Division
6.	Faisalabad:	Faisalabad and Sargodha Divisions
7.	Sialkot:	Narowal & Sialkot Districts
8.	Multan:	Multan and Dera Ghazi Khan Divisions
9.	Rawalpindi:	Rawalpindi Division
10.	Islamabad:	Federal Capital Territory
11.	Peshawar:	Hazara, Kohat, Malakand & Peshawar Divisions
12.	Gujranwala:	Gujranwala Division, excluding Sialkot District
13.	D. I. Khan:	Dera Ismail Khan Division
14.	Bahawalpur:	Bahawalpur Division
15.	Muzaffarabad:	Azad Jammu & Kashmir

8. Definitions.

a. **Act** means the Foreign Exchange Regulation Act, 1947.

b. **Authorized Dealer** means a person for the time being authorized under Section 3 of the Act to deal in foreign exchange.

c. **Authorized Derivatives Dealers** are institutions that are licensed by the State Bank to undertake certain derivative transactions.

d. **Bank** means a banking company as defined in section 5 of the Banking Companies Ordinance, 1962 (LVII of 1962);

e. **CFR** means Cost and Freight, as referred to in International Chamber of Commerce (ICC)'s latest Incoterms.

f. **CIF** means Cost, Insurance and Freight as referred to in ICC's latest Incoterms.

g. **Currency** includes all coins, currency notes, bank notes, postal notes, money orders, cheques, drafts, traveler's cheques, letters of credit, bills of exchange and promissory notes.

h. **Exchange Company** means a company authorized under section 3AA of the Act to deal in foreign currency notes, coins, postal notes, money orders, bank drafts, travellers cheques and transfers.

i. **Exchange Entitlement Certificates (EEC)** is a certificate issued by the Foreign Exchange Operations Department, SBP-Banking Services Corporation confirming that the goods of the particular amount have been received in Pakistan.

j. **Export Proceeds** means sale proceeds received in approved manner against goods/services exported from Pakistan.

k. **Foreign Currency** means any currency other than Pakistan currency.

l. **Foreign Exchange** means foreign currency and includes any instrument drawn, accepted, made or issued under clause (8) of Section 17 of the State Bank of Pakistan Act, 1956, all deposits, credits and balance payable in any foreign currency, and any drafts, traveler's cheques, letters of credit and bills of exchange, expressed or drawn in Pakistan currency but payable in any foreign currency.

m. **FOB** means Free on Board as referred to in ICC's latest Incoterms.

n. **Freight** means the charges paid for the carriage or transportation of goods by air, sea or land.

o. **Gold** includes gold in the form of coin, whether legal tender or not, or in the form of bullion or ingot, whether refined or not.

p. **Open Account** shall include import transactions in which documents have been received by importer or the Authorized Dealer directly from the foreign supplier.

q. **Pakistan Currency** is the currency which is expressed or drawn in Pakistan Rupees (PKR).

r. **Security** means shares, stocks, bonds, debentures, debenture stock and Government securities, as defined in the Securities Act, 1920, deposit receipts in respect of deposits of securities, and units or sub-units of unit trusts, but does not include bills of exchange or promissory notes other than Government promissory notes.

s. **Silver** means silver bullion or ingot, silver sheets and plates which have undergone no process of manufacture subsequent to rolling and uncurrent silver coin which is not legal tender in Pakistan or elsewhere.

t. **State Bank** means the State Bank of Pakistan established under the State Bank of Pakistan Act, 1956.

u. **Terms having special meanings** for the purposes of the Act have been defined in Sections 2 and 13 of the Act.

   i) For the purposes of Section 13 of the Act the term "persons resident outside Pakistan" covers a foreign national as also Pakistanis holding dual nationality for the time being resident in Pakistan. A company registered in Pakistan which is controlled directly or indirectly by "persons resident outside Pakistan" is, for the purposes of Sections 13 and 18 of the Act, treated as a "person resident outside Pakistan".

   ii) For the purposes of Section 5 of the Act the term "persons resident outside Pakistan" also includes nationals of Pakistan and persons domiciled in Pakistan, except persons holding office in the service of Pakistan, who go out of Pakistan for any purpose.

   iii) In respect of purposes other than the above, a resident person, bank or firm is a person who resides in Pakistan. A non-resident is a person, bank or firm, who resides outside

Pakistan. No definite rules can be laid down for determining whether a person is ordinarily resident in Pakistan but there is a presumption that a person is resident if he maintains a home in Pakistan, or resides in the country for a substantial part of each year, or pays income tax as a resident of Pakistan. On the other hand, the fact that a person gives an address in Pakistan does not necessarily mean that he should be regarded as a resident if he is in fact only a temporary visitor and is ordinarily resident outside Pakistan.

v. All other terms and expressions used but not defined in this Manual shall have the same meaning as assigned thereto in the Act, Banking Companies Ordinance, 1962, State Bank of Pakistan Act, 1956, Microfinance Institutions Ordinance, 2001 and Payment System & Electronic Fund Transfers Act, 2007.

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	Annexure 'A'
Nature of Cases to be considered by Exchange Policy Department	
	Authorization to deal in Foreign Exchange
1	Issuance of AD's licenses to Banks and Restricted Authorization to DFIs and Hotels to deal in FX.
	Trade
2	Commission and other trade charges from the invoice value over the prescribed limit.
3	Payments outside Asian Clearing Union (ACU) mechanism.
4	Establishment of LC other than back to back LC under Merchanting Trade.
	Exports
5	Shortfall in realization of export proceeds over the prescribed limit.
6	Exemption from Electronic Form 'E' (EFE) procedure for export of goods from Pakistan.
	Imports
7	Exemption from Electronic Import Form (EIF) procedure
8	Issuance of EIF where no payment from Pakistan is involved.
9	Remittance of advance payment for import where the goods are of specialized nature and could not be shipped within 120 days and/ or amount is over and above USD 10,000.
10	Establishment of Letter of Credit (L/Cs) by PIA/ Pakistani Shipping Companies involving delivery of goods to carriers other than PIA/PNSC.
11	Establishment of L/C on CIF/CIP, Transferable, Revolving basis, CFR/ Free Out basis, etc.
12	Remittance on account of Excess Payment/ Overdrawn Bills for the imports.
13	Extension in time period for submission of shipping documents beyond 4 months, in case of imports under advance payments.
14	Amendment in Letter of Credit or insertion of special clauses in the L/C.
15	Clarification/exemptions related to forward cover.
	Commercial Remittances
16	On account of Equity Investment Abroad
17	On account of Employee Stock Option Plans and related remittances.
18	On account of Establishment of Branch/ Office abroad by Pakistani Banks/ Authorized Dealers/ Financial Institutions.
19	On account of Profit repatriation abroad by the branch offices of foreign companies/ banks working in Pakistan
20	On account of Head Office Expenses reimbursed by the branches of foreign companies/ banks working in Pakistan
21	On account of meeting shortfall in Minimum Capital Requirement (MCR) for overseas branches of Pakistani banks.
22	On account of Budgetary Expenses of a company's or bank's Representative Offices/ Liaison Offices/ Marketing Offices located abroad.
23	On account of Service Level Agreements signed by the Banks, Microfinance Banks, DFIs and NBFIs with the parent company/ related parties abroad, and their related remittances.
24	On account of expenses for promotion of home remittances.

	Private Transfers
25	Remittance on account of Inherited Properties
26	Home Remittances
27	Home Remittance related agreements between domestic and overseas financial institutions and other associated issues.
28	Clarifications on New Products launched for home remittances/ Special Non Resident Accounts
29	Clarifications/ Policy matters related to 'Reimbursement of T.T. Charges Scheme' and 'M-Wallet Scheme
	Insurance
30	USD denominated insurance policies by local insurance companies on notional basis.
	FCY Borrowing From Abroad
31	Foreign Currency Loans borrowed from abroad.
32	Repayment Schedule on account of FCY borrowing from abroad.
33	Principal and Interest payments on FCY borrowing from abroad, before registration of Repayment Schedule with SBP.
34	PKR Lending to Foreign Controlled Companies/ Non Residents/ Individual Foreign Nationals.
	Guarantees
35	Guarantees/ SBLC, involving FCY borrowing from abroad or equity investment abroad, only.
36	Establishment of SBLC against import of crude oil.
	Registration of Shares / Hypothecation of Shares
37	Registration of Shares issued by the resident companies to non-residents.
38	Designation of ADs for remittance on account of dividend and disinvestment proceeds to non- resident shareholders of resident companies.
39	Pledge/ Hypothecation of shares of resident companies as collateral to the custodian favoring foreign lenders relating to FCY Loans borrowed by resident companies.
40	Registration of bonus/ right shares in favor of non- residents
41	Registration of Shares Transfer; from residents to non- residents and from non-residents to non-residents.
	Accounts
42	Policy waiver with respect to FCY Accounts.
43	Retention of FCY balances in FCY Accounts opened with SBP's special permission.
44	Special FCY Accounts and Imprest Accounts for miscellaneous purposes, with respect to various Public Sector Entities.
45	Policy waiver with respect to Non- resident Rupee Accounts.
46	Closure of Non- resident Rupee Accounts of Foreign Banks' Branches and Correspondents.
47	Matters related to Blocked Accounts.
48	Matters related to Special Convertible Rupee Accounts (SCRA).

	Annexure 'B'
Nature of Cases to be considered by Foreign Exchange Operations Department	
	Exports
1	Realization of export proceeds beyond six months period.
2	Adjustment of unutilized advance payments received by the exporters from different buyers.
3	Adjustment of advance payment against exports.
4	Refund of export advance payment to the remitter.
5	Utilization of time barred export advance payments.
6	Export commission related matters.
7	Issuance of certificate against bank guarantee for export of raw cotton.
8	Matters related to re-export of goods e.g. for repair/ replacement, frustrated cargo, etc.
9	Allocation of quota for sugar, wheat, fertilizer/ urea, etc. and respective subsidy payments.
10	Subsidy Scheme Claims (DLTL Textile and Non-Textile, Sugar, Wheat, etc.).
11	Charter Party freight related remittance against exports/ imports.
12	Operational matters pertaining to Electronic Form E (EFE).
13	Export Overdue cases and related litigation[1].
	Imports
14	Import on Open Account basis.
15	L/Cs for import of services.
16	Import of goods/ acquisition of services from abroad, by the Public Sector Entities/ Ministries/ Government Institutions/ Provisional Governments, etc.
17	Issuance of Exchange Entitlement Certificates.
18	Import Overdue cases and related litigation[1].
19	Operational matters pertaining to Electronic Import Form (EIF)
	Commercial Remittances
20	On account of services acquired from abroad. (Appendix 'X')
21	On account of Oil and Gas related purchase
22	On account of Aircraft Lease Rentals/Maintenance Reserves/security deposit.
23	On account of Implementation Agreements signed between the Independent Power Producers and the Government of Pakistan.
24	On account of foreign engineering/ technical services and O&M (Operation & Maintenance) service contracts.
25	On account of operating expenses on behalf of shipping companies e.g. cost of bunkers, lubricants, port disbursement charges, etc.
26	On account of Dry Docking/ Repair Fee.
27	On account of Director's Remuneration/ Meeting Fee, etc.
28	On account of container detention charges and demurrage charges of chartered ships.
29	On account of refurbishment/ repair of machinery charges.
30	On account of Reuters/ SWIFT service charges.
31	On account of traveling including training and conferences related expenses, etc.
32	On account of visa fees submitted by foreign embassies/ consulate general through ADs.
33	On behalf of agents of foreign courier companies to their principals.
34	Designation of Authorized Dealers and remittance on account of Software License Fee.
35	Consultancy/ Royalty/ Technical/ Franchise Fee Agreements.
36	Acknowledgement of Service Level Agreements and related remittances; except the cases pertaining to Banks, Microfinance Banks, DFIs and NBFIs.
37	FCY cash payment to Master/ Captain of the ship by local agents of foreign shipping companies.
38	Remittance by insurance companies under general average awards & salvage claims

	Private Remittances
39	On account of medical treatment abroad beyond the prescribed limit.
40	On account of studies abroad beyond the prescribed limit.
	Insurance
41	Life Insurance/ Reinsurance.
42	Insurance claims on policies covering exports from Pakistan.
43	Payment of premia etc. on account of Insurance and Reinsurance Policies.
44	Reinsurance business from abroad and remittance of claims including cases related to life insurance/ reinsurance on account of individuals.
45	Establishment of revolving L/C by insurance companies operating in Pakistan in favor of their settling agents.
46	Insurance premium on PNSC vessels.
47	Remittance of port of loading surveyor charges and insurance surveyor fee.
	FCY Borrowing from abroad
48	Remittance of Due Diligence Fee in terms of FCY Borrowing from abroad before registration of Loan Agreement.
49	Remittance on account of fees/ expenses (other than amount of principal and interest) in terms of FCY borrowing from abroad, after registration of loan agreement with EPD-SBP.
50	Issuance of F.E. permits in terms of loan / interest payments by EAD on behalf of PSEs.
	Guarantees
51	Guarantees/ SBLC, except the ones involving FCY borrowing from abroad or equity investment abroad.
52	Bank guarantee on account of Airlines (GSA) dealing in passage freight/ ticket collection.
53	Bank guarantee for Umrah related services.
	Accounts
54	Remittance from Assignment Accounts.

[1]The export overdue cases (after initiation of litigation) shall be dealt with by Foreign Exchange Adjudication Department, SBP-BSC.

CHAPTER 2

AUTHORIZED DEALERS

Contents

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4. Provision of foreign exchange services to individuals.
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6. Responsibility of Authorized Dealers to ensure avoidance of contravention or evasion of the provisions of the Act.
7. Responsibility of Authorized Dealers to notify the regulations to their customers and to report cases of evasion.
8. Official Meetings with the State Bank/SBP-Banking Services Corporation.
9. List of Authorized Dealers in Foreign Exchange
10. Submission of Returns to the State Bank/SBP-Banking Services Corporation. Authorized Rates of Foreign Exchange.
11. Authorized Rates of Foreign Exchange.

CHAPTER 2

AUTHORIZED DEALERS

1. Authorization to deal in foreign exchange.

(i) In terms of th**e** powers vested in it by section 3 (1) & 3 (2) of the Foreign Exchange Regulation Act, 1947 (the Act), the State Bank may, on application, authorize any person to deal in foreign exchange. The State Bank may authorize dealings in all foreign currencies or may restrict dealings in specified foreign currencies only. Further, it may authorize transactions of all descriptions in foreign currencies or may restrict to specified transactions only.

(ii) The license to deal in approved foreign exchange transactions of all descriptions is issued to scheduled banks.

2. Application for Authorized Dealer's License.

(i) The Head Office of a bank, or the Principal Office in Pakistan in the case of a foreign bank, may apply for grant of Authorized Dealer's license to the Director, Exchange Policy Department, State Bank of Pakistan, Karachi. While applying for the license, the bank should mention the nature of transactions that are desired to be dealt with alongwith the confirmation that trained staff, required systems, equipments etc. to handle foreign exchange transactions are available with the bank.

(ii) Once the bank has been granted status of the Authorized Dealer through issuance of foreign exchange license by the State Bank, it may designate its branches to undertake permissible foreign exchange business. In case it is decided by the Authorized Dealer to designate a new branch to deal in foreign exchange (hereinafter referred to as 'authorized branch'), the Head /Principal Office of the respective bank shall communicate name and address of such branch to the Director, Statistics & Data Warehouse Department, State Bank of Pakistan, Karachi who will allocate a code number to the branch for statistical reporting purpose. The authorized branch can thereafter start conducting the foreign exchange business.

(iii) Every authorized branch is permitted to deal in foreign currency notes, coins, deposits, credits, drafts, traveler's cheques, letters of credit and bills of exchange, expressed or drawn in Pakistan currency but payable in any foreign currency. Such transactions should be reported to the State Bank by the Head /Principal Office of the Authorized Dealer on behalf of its authorized branches after consolidation through the prescribed returns.

(iv) The State Bank may, without assigning any reason, refuse to grant the license to deal in foreign exchange. It may also withdraw an authorization/license already granted to a bank or prohibit dealings in foreign exchange by any authorized branch of an Authorized Dealer in accordance with the powers vested in it by section 3B of the Act.

3. Capacity Building of Employees.

In order to establish a continuous learning atmosphere and encourage enhancing the overall capacity of the employees, Authorized Dealers should prepare a comprehensive training and development policy duly approved by their Board of Directors for all major foreign exchange areas which should, interalia, cover processes related to selection of employees for specific training programs and implement the following specific parameters/guidelines:

(i) Authorized Dealers, at the beginning of each calendar year, shall make assessment in respect of each related employee regarding his/her training needs in the area of foreign exchange.

(ii) Specific areas of focus for training including international trade, foreign currency accounts, remittances, inward/outward investments etc. may be identified by Authorized Dealers before the start of each calendar year keeping in view risks associated with different areas.

(iii) In addition to professional qualification, function specific trainings in the area of foreign exchange should be given due weightage towards career growth of concerned employees.

(iv) While preparing training modules in the area of foreign exchange, Authorized Dealers must also ensure that function specific trainings in critical areas such as AML/CFT, E-Commerce, IT Operations etc. form integral part thereof.

(v) Authorized Dealers should also develop training plans for employees posted at branches located in remote areas to ensure their capacity building at par with those posted in urban centres.

(vi) Authorized Dealers may develop in-house trainers for providing adequate internal support to their training and development initiatives. They should also chalk out a suitable mechanism to assess the performance of employees after trainings.

(vii) Authorized Dealers should enhance coordination with Institute of Bankers Pakistan (IBP), National Institute of Banking & Finance (NIBAF) and local business management schools/universities directly or through Pakistan Banks Association (PBA) to develop and design specific courses that cater to the specific needs of their employees.

4. Provision of foreign exchange services to individuals

Detailed instructions/guidelines for processing the requests seeking release/remittance of foreign exchange on account of genuine foreign exchange needs of Pakistani citizens (individuals) in connection with education, medical treatment, travel, training etc. and other purposes are given in Chapter 17 of the Manual.

In order to provide seamless services to the individuals, Authorized Dealers should ensure the following:

(i) The foreign exchange services on account of Travel, Education and Medical Treatment abroad are offered by their all authorized branches efficiently.

(ii) The officials dealing with the customers for foreign exchange services, including those posted at contact/call centres of Authorized Dealer, have been adequately trained in foreign exchange business and possess adequate knowledge of rules and regulations governing individual foreign exchange needs.

(iii) A focal person is appointed at Head/Principal Office level in relation to handling foreign exchange services and related matters.

(iv) All necessary measures to create awareness amongst their customers about foreign exchange services are taken besides making relevant details of foreign exchange services available at their official websites.

(v) Adequate stock of related foreign currency notes is available with the authorized branches for meeting customers' requirements.

5. Authorized Dealers to engage in transactions within the scope of their authorization.

An Authorized Dealer shall, in all its dealings in foreign exchange, comply with such general or special instructions which the State Bank may give from time to time and shall not engage in any transaction involving foreign exchange which is not in conformity with the terms of its authorization.

6. Responsibility of the Authorized Dealers to ensure avoidance of contravention or evasion of the provisions of the Act.

An Authorized Dealer, before undertaking any foreign exchange transaction on behalf of any person, shall require that person to make such declarations and to give such information as will reasonably satisfy it that the transaction will not involve and is not designed for the purpose of contravention or evasion of any of the provisions of the Act or of any rules, directions or orders made thereunder. If any person refuses to comply with any such requirement or makes only unsatisfactory compliance therewith, the Authorized Dealer should refuse to undertake the transaction and, if it has reason to believe that contravention or evasion of the provision of the Act is contemplated, it should report the matter to the State Bank.

7. Responsibility of Authorized Dealers to notify the regulations to their customers and to report cases of evasion.

Authorized Dealers are required to bring the Foreign Exchange regulations to the notice of their customers and to ensure compliance in their day to day operations. They should also report to the State Bank every case of evasion or attempt, direct or indirect, at evasion of the provisions of the Act and Notifications or any rules, orders or directions issued thereunder, immediately as it comes to their notice.

8. Official Meetings with the State Bank/SBP-Banking Services Corporation.

In order to discuss important and urgent issues, State Bank/SBP-Banking Services Corporation holds meetings with banks whenever a need arises. At times, such meetings require presence of executives/senior officials of Authorized Dealers/banks so that they may share their necessary feedback and institutional stance. Authorized Dealers/banks should ensure that the concerned executives/senior officials must attend such meetings whenever called by the State Bank/SBP-Banking Services Corporation.

9. List of Authorized Dealers in Foreign Exchange.

The list of Authorized Dealers in foreign exchange is given at Appendix- IV.

10. Submission of Returns to the State Bank/SBP-Banking Services Corporation.

Authorized Dealers must submit to the State Bank/SBP-Banking Services Corporation returns of their dealings in foreign exchange on due dates in the forms prescribed in the Manual. Specimens of all application forms and returns prescribed by the State Bank are given in Appendix- V.

11. Authorized Rates of Foreign Exchange.

Section 4 (2) of the Act lays down that, except as may otherwise be directed by the State Bank, authorized dealers, authorized money changers and exchange companies shall be free to determine exchange rates for the conversion of Pakistan currency into any foreign currency or any foreign currency into Pakistan currency. A general permission has been given to Authorized Dealers to determine their own rates of exchange, both for ready and forward transactions for the public, subject to the condition that the margin between the buying and selling rates should not exceed fifty paisa per US dollar or its equivalent in other currencies. This condition does not apply to inter-bank transactions.

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CHAPTER 3

RESTRICTED AUTHORIZATION TO DEAL IN FOREIGN EXCHANGE

Contents

1. Restricted authorization to hotels to deal in foreign exchange.
2. Application for restricted authorization.
3. Regulations for Hotels granted restricted authorization to deal in foreign exchange.
4. Punitive regulatory action on violation of State Bank's regulations.
5. Suspension or Cancellation of the Authorization.
6. Inspection of hotels granted restricted authorization to deal in foreign exchange.

CHAPTER 3

RESTRICTED AUTHORIZATION TO DEAL IN FOREIGN EXCHANGE

1. Restricted authorization to hotels to deal in foreign exchange.

(i) In exercise of the powers conferred by Section 3 of the Foreign Exchange Regulation Act, 1947, the State Bank may, on application made to it in this behalf, authorize any person to deal in foreign exchange. The State Bank may authorize dealings in all foreign currencies or may restrict to dealings in specified foreign currencies only. It may further authorize transactions of all descriptions in foreign currencies or restrict to specified transactions only.

(ii) The State Bank issues restricted authorization to deal in foreign exchange to 3, 4 & 5 Star Hotels to facilitate the foreign travelers to meet their local currency needs during their stay in Pakistan which includes boarding/lodging expenses, transportation, other local spending etc.

2. Application for restricted authorization.

(i) The intending 3, 4 & 5 Star Hotels may apply to the State Bank through Pakistan Hotels Association for restricted authorization (hereinafter referred to as 'authorization') to purchase foreign currencies from their customers. The application should contain full particulars i.e. name and address of the hotel, star rating, NTN/STRN, CNIC numbers of the Proprietors/Directors/Partners etc. and should be supported by the following documents:

a) Copy of NTN/STRN Certificate of the Hotel.
b) Copies of the CNICs of the Proprietors/Directors/Partners.
c) DD/PO for the issuance/renewal of authorization as prescribed in the subsequent paragraphs.

(ii) Pakistan Hotels Association, after ascertaining the star rating and verifying the particulars and supporting documents submitted by the applicant, shall forward the application to the Director, Exchange Policy Department, State Bank of Pakistan, Karachi.

(iii) The authorization will initially be granted for a period of three years renewable thereafter.

(iv) The fee for issuance of authorization and its subsequent renewals shall be Rs. 50,000 per location to be paid/submitted through DD/PO in favor of the State Bank of Pakistan.

(v) The application for renewal of authorization, alongwith DD/PO of the prescribed fee, should be received at the State Bank at least one month before expiry of authorization.

(vi) The State Bank reserves the right to grant or refuse to grant the authorization or renewal thereof without assigning any reason.

(vii) The authorized hotel shall immediately intimate any change in its constitution, ownership or directorship to the Director, Exchange Policy Department, State Bank of Pakistan, Karachi.

3. Regulations for Hotels granted restricted authorization to deal in foreign exchange.

The hotels' activities under such Restricted Authorization shall be confined only to purchase of foreign currency notes, coins and travelers cheques from their customers. The State Bank reserves the right to visit the premises and inspect the records/books of accounts of the hotels as and when deemed necessary.

In terms of the above authorization, the hotels shall:

(i) sell the foreign currency notes, coins, travelers cheques received by them from their customers to an Authorized Dealer or an exchange company, within a period of one-week.

(ii) keep in record the receipts issued by the Authorized Dealer or exchange company against sale of such foreign currencies.

(iii) not be allowed to deposit these foreign currencies in their foreign currency accounts, if being maintained by them, or use the same for any other purpose.

(iv) issue proper computer generated receipts/vouchers for all transactions involving purchase of foreign currencies from the customers. Every receipt provided to the customer shall bear the name of hotel, date of transaction, nature of payment i.e. currency dealt, exchange rate and signature of the recipient. For this purpose, they shall install Electronic Cash Register or any other suitable electronic device.

(v) display the prevailing exchange rates applicable for purchase of major foreign currencies through notice/display boards at a prominent place for information of the customers. It shall also be advised to the customers, through these notice/display boards, to obtain receipts against sale of foreign currencies.

(vi) maintain proper books of accounts and provide all data, information, books of accounts and related record of their foreign exchange transactions as and when required by the State Bank for onsite inspection or offsite monitoring.

(vii) submit a monthly statement of the purchase of foreign currencies by 8thday of subsequent month to the Statistics & Data Warehouse Department, State Bank of Pakistan at hotels.sdwd@sbp.org.pk as per the prescribed format placed at the end of this chapter.

4. Punitive regulatory action on violation of State Bank's regulations.

The hotels granted restricted authorization shall strictly observe the above foreign exchange regulations/instructions as well as those issued by the State Bank from time to time. In case of violation of the State Bank's regulations or instructions issued thereunder, regulatory action may be taken against the delinquent hotel under section 23K of the Foreign Exchange Regulation Act, 1947.

5. Suspension or Cancellation of the Authorization.

The authorization granted to a hotel may be suspended or cancelled, if it fails to:

a) submit prescribed monthly statements to the State Bank;

b) sell foreign currencies purchased from the customers to an authorized dealer or exchange company within the stipulated time;

c) follow regulations prescribed by the State Bank from time to time.

6. Inspection of hotels granted restricted authorization to deal in foreign exchange.

(i) The State Bank reserves the right to inspect the activities of a hotel at any time it finds appropriate to ensure adherence to the regulations issued by the State Bank.

(ii) The hotels are required to fully cooperate with the State Bank's inspection team and provide full disclosure of information required during the course of inspection, including but not limited to their activities, accounts, operations, IT systems and records.

(iii) The hotel or any of its officials shall not:

(a) obstruct or hinder the inspection team in carrying out their official duties under the State Bank's directives.

(b) provide false, misleading or inaccurate information to the State Bank's inspection team.

(iv) Deliberate obstruction to the State Bank's inspection team in the performance of their duties by the sponsors, directors, officials etc. will result in punitive action against the hotel and/or its sponsors/directors/officials. This may, interalia, include suspension/revocation of the restricted authorization of the hotel, permanent disqualification of its sponsors and directors to undertake any foreign exchange business activity in any capacity.

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Format for monthly reporting as required in para 3(vii) above.

Monthly Reporting of Foreign Currencies Buying by Authorized Hotels

Name of Hotel: _____

Address of Hotel: _____

Reporting Month: _____ NTN: _____

Details of Foreign Currencies Buying

Name of Currency	Amount	Amount surrendered	Date of Surrender	Name of Bank/ Exchange Company* along with address to whom FCY Surrendered
US Dollar				Name of Bank with branch address
Pound Sterling				
Euro				
UAE Dirham				Name of Bank/Exchange Company with branch address
. . .				
. . .				
. . .				

*Exchange Companies established under F.E. Circular No. 09 of July 30, 2002

Memorandum items:

Receipts from Foreign Guests in PKR other than Foreign Currency Buying

Description	Amount in PKR
1. Receipts for accommodation	
2. Receipts for goods and services	
3. Receipts for payments to others	
A. Total Receipts (1+2+3 = a+b+c)	
a. Cash Receipts	
b. Receipts through credit cards	
c. Online receipts	
B. Total number of foreign guests stayed (in numbers)	
C. Total number of nights foreign guests stayed (in numbers)	

Contact Information:

Reporting Person

Contact Person: _____

Designation: _____

Office Telephone No.: _____

Mobile No.: _____

Fax No.: _____

E-mail: _____

Alternate E-mail (if any): _____

Supervisor

Contact Person: _____

Designation: _____

Office Telephone No.: _____

Mobile No.: _____

Fax No.: _____

E-mail: _____

Alternate E-mail (if any): _____

CHAPTER 4

FORWARD EXCHANGE FACILITIES

Contents:

1. General.
2. Forward Quotations.
3. Forward purchase of foreign exchange against export of goods.
4. Forward sale of foreign exchange against import of goods.
5. Forward Cover against Private Sector Borrowings from abroad.
6. Forward sale against investment by Non-Residents.
7. Forward transactions between Authorized Dealers.
8. Forward transactions with overseas branches and correspondents.
9. Omitted.
10. Extension of forward contracts for exports.
11. Discounting of usance export bills.
12. Rates at which forward contracts may be closed out.
13. Cancellation of forward contracts by the State Bank.
14. Switch over of exchange contract in cover of imports/exports.
15. Forward cover against foreign currency accounts.

CHAPTER 4

FORWARD EXCHANGE FACILITIES

1. General.

(i) Authorized Dealers may enter into contracts for forward purchase or sale of foreign currencies subject to the regulations set out in this chapter. Before entering into a forward exchange contract with the customers, the Authorized Dealers should satisfy themselves about the bonafides of the applicants and ensure that forward cover is required for genuine underlying transactions. For this purpose, they should call for verification, the offers and acceptance and/or duly signed formal contracts and/or letters of credit. Authenticated photocopies of these documents should be retained by the Authorized Dealers. The number and date of the forward contract should be endorsed by the Authorized Dealers under their stamp and signature on the copies including the originals. Similarly, Authorized Dealers should indicate, on the relative forward contract, the particulars of the documents which have been verified by them and on the basis of which the forward contract has been booked.

(ii) Forward cover may be provided even if the letter of credit has been opened through another Authorized Dealer or contract has been registered with or export documents have been handled by another Authorized Dealer. Such cover would be provided on the basis of a certificate from the concerned Authorized Dealer in favour of a specified Authorized Dealer confirming, inter-alia, that no forward cover has been provided by it against the transaction.

2. Forward Quotations.

Authorized Dealers may provide forward cover for exports, imports, private sector borrowings from abroad (PSBA) for Project Financing and Working Capital (excluding loans obtained by foreign contractors and branches of foreign companies), financial sector borrowings from abroad (FSBA) by Microfinance Banks/Institutions in Pakistan as covered in Chapter 19 and to non-residents for portfolio investment made by them in rupee denominated shares and securities on repatriation basis out of funds remitted from abroad (as provided in paragraph 6 of this chapter) for any duration subject to any restriction mentioned in subsequent paragraphs, in accordance with the conditions prevailing in the market.

3. Forward purchase of foreign exchange against export of goods.

(i) In the case of export of goods from Pakistan against a firm contract, Authorized Dealers may purchase foreign currencies forward for delivery upto six and a half months from the last date of shipment as provided in the contract /letter of credit. Such purchases may be made at any time from/after the date of contract/ letter of credit. Purchases in case of exports on consignment sale basis may be made at any time after the shipment has taken place but the

last date of delivery should not fall after six and a half months from the date of shipment. In both the cases of exports against firm contract and on consignment basis where State Bank's prior approval has been obtained for the realization of sale proceeds beyond six months, the purchase contract may provide for delivery upto fifteen days after the extended date for realization.

(ii) In the case of export of goods to be invoiced in any convertible currency other than U.S. Dollar, it is permissible for the Authorized Dealers to buy forward the concerned currency in terms of U. S. Dollar, if the exporter wishes to cover only such risk and to carry dollar versus rupee risk himself. On realization of such proceeds the equivalent U.S. Dollar amount at the booked rate will not be delivered but converted at the spot rate and the rupee equivalent will be paid to the exporter. In case, an exporter does not want to carry Dollar versus Rupee risk himself and wants to cover the same in the forward market, the same would also be permissible. The Authorized Dealers will conduct such transactions within their approved Foreign Exchange Exposure Limits.

4. Forward sale of foreign exchange against import of goods.

(i) Authorized Dealers are also allowed to provide forward cover facility against imports on L/C basis for a period not less than one month and up to a maximum period of one year on roll over basis subject to observance of all other related rules and regulations. Furthermore, close out of any forward contract cannot take place within one month of its booking. In case payment has to be made against letter of credit within one month of the forward contract, the prevailing spot selling rate will be applied and the relevant forward contract will be closed out at the end of one month from the booking date. Forward booking may be provided only against letters of credit. Under no circumstances the Authorized Dealers would provide forward bookings against contracts etc. Authorized Dealers may sell foreign currencies forward in cover of imports into Pakistan on cash basis only against letters of credit subject to compliance of all related instructions and observance of the following terms and conditions:

a) Forward cover facility will be made available to importers against the Letter of Credit only.
b) No forward cover facility will be provided for a period of less than one month. Roll over in those cases where import payment is not made in accordance with the schedule, will be allowed subject to the condition that the roll over is not less than one month. Thus, in cases where extension period for import payment is less than one month beyond the maturity date of the forward contract, forward cover shall not be further rolled over.
c) Maturity of forward contracts against import should coincide with the maturity of the underlying Letter of Credit. In case of a usance L/C which requires payment to be made after a given number of days of shipment and the shipment date has been determined on or before the L/C expiry date, the forward contract can be rolled over on forward maturity date to coincide with L/C payment date,

subject to the condition that the roll over is not less than one month. In case the shipment period is not determined on the L/C expiry date, forward cover cannot be rolled over and has to be closed out at the prevailing exchange rate on the L/C expiry date.

d) Where L/C payment is due before L/C expiry/forward maturity, forward contract would have to be taken up on the date when the payment is due for delivery to the customer.

e) Even in cases where partial shipments are allowed, the forward contract against import should coincide with the maturity of the underlying letter of credit. In case of partial payment prior to the L/C expiry date, the forward contract can be taken up to the extent of the partial payment. In case of partial payments after the L/C expiry date, the condition/clarification mentioned at (c) above will be applicable.

f) In cases where the import Letter of Credit has a tenor of more than 12-months, the tenor of the forward cover facility would be 12-months on rollover basis or the remaining tenor of the L/C whichever is less; subject to the condition that the tenor of the forward cover should not be for less than one month.

g) If the terms of the Letter of Credit are amended to extend its tenor in accordance with the regulations stipulated in Para 9 of Chapter 13 of the Manual, the importers can rollover the forward cover on the original maturity date of the forward contract coinciding with new maturity of the underlying L/C, subject to the condition that the forward cover is not less than one month.

h) All forward contracts against which the underlying L/Cs are cancelled are required to be closed out on maturity at prevailing exchange rates and differential is settled between the importer and the bank. However, all such cases, where underlying L/Cs were cancelled will be submitted to Domestic Markets and Monetary Management Department (DMMD) on the date of cancellation of L/Cs with full details as per prescribed format (Appendix V-1).

i) Authorized Dealers will ensure that the facility is being availed for genuine import transaction and that the importers do not hedge more than the underlying exposure. Furthermore, if during SBP's inspection or at any point of time, it is found that the said facility was misused and was not against genuine transactions, action will be taken by SBP under the provisions of Foreign Exchange Regulation Act, 1947, against the concerned Authorized Dealer and the importer.

(ii) In the case of import of goods invoiced in any convertible currency other than U.S. Dollar, it is permissible for Authorized Dealers to sell forward the concerned currency in terms of U.S. Dollar, if the importer wishes to cover only such risk and to carry dollar versus rupee risk himself. On the date of such payment, the equivalent U.S. Dollars amount at the booked rate will not be claimed but converted at the spot rate and the rupee equivalent would be claimed from the importer. In case, importer does not want to carry Dollar versus Rupee risk himself and wants to cover the same in the forward market, the same would also be

permissible. The Authorized Dealers shall conduct such transactions within their approved Foreign Exchange Exposure Limits.

(iii) Forward cover facility is not allowed in respect of the following: -

a. Import of crude oil and POL products.
b. Imports by Federal or Provincial Government Departments or Corporations set up by Government and Industrial undertakings in which Government holds majority interest other than TCP and those public sector undertakings which export part of their products.

5. Forward Cover against Private Sector Borrowings from abroad.

Authorized Dealers may provide forward cover facility to their customers against Private Sector Borrowings from abroad subject to compliance of related regulations on the subject and the following terms and conditions:

(i) Minimum tenor of forward contract against such loans shall be twelve months or remaining maturity of the underlying foreign private loan, whichever is less. In either case no forward cover facility will be provided for a period of less than one month.

(ii) In cases where the underlying foreign loan has a tenor of more than 12-months, the tenor of the forward cover facility would be 12-months on rollover basis or the remaining tenor of the loan, whichever is less; subject to the condition that the tenor of the forward cover should not be for less than one month.

(iii) Authorized Dealers will ensure that the facility is being availed for genuine transaction and that the customers do not hedge more than the underlying exposure. Further, if during SBP's inspection or at any point of time, it is found that the said facility was misused and was not against genuine transactions, action will be taken by SBP under the provisions of Foreign Exchange Regulation Act, 1947, against the concerned Authorized Dealer and the customer.

6. Forward sale against investment by Non-Residents.

(i) Authorized Dealers may sell foreign currencies forward to non-residents for portfolio investment made by them in rupee denominated shares and securities on repatriation basis out of funds remitted from abroad, as permitted vide Chapter 20 of the Manual. The forward cover can also be provided on the date of conversion of foreign currency into rupees, pending their investment. Such sales would be made only for the amount brought in or the face value of the security, whichever is higher. No forward cover will be provided for dividend/interest/coupon income. Forward cover will also not be provided for Foreign Direct Investment. The maximum period of sales should be twelve months, which may be extended in the manner laid down in paragraph 10.

(ii) A forward sale may also be made by an Authorized Dealer other than the one maintaining the Special Convertible Rupee Account or providing custodial service for investment provided the customer gives a declaration that the investment has been made on repatriation basis and that cover has not already been obtained from any other Authorized Dealer.

7. Forward transactions between Authorized Dealers.

Authorized Dealers may freely enter into forward transactions with each other, provided their Foreign Exchange Exposure at the end of the day remains within the prescribed limits.

8. Forward transactions with overseas branches and correspondents.

Authorized Dealers may enter into forward transactions with their overseas branches and correspondents in respect of currencies other than U.S. Dollar, for transactions entered into by them with their customers.

9. Omitted.

10. Extension of forward contracts for exports.

It would be permissible to extend the forward contracts for exports even for less than one month if the export proceeds have not been realized and extension in the period of realization has been granted by the Authorized Dealer/State Bank. Such extensions would be made by closing out the original contract and booking of a fresh contract at the new rate.

11. Discounting of usance export bills.

In case an exporter books forward cover and presents thereagainst an export bill for discounting, the Authorized Dealer may treat discounting of the usance or sight bill as delivery against the forward contract provided such bills are presented for discounting during the option delivery period only. In all other cases the foreign currency receipts in respect of discounted bills will not be considered as delivery against forward contract and the Authorized Dealer will discount the bill at its current applicable rate and close out the contract on maturity.

12. Rates at which forward contracts may be closed out.

(i) Forward contracts, which are not taken up, may be closed out on the date of maturity. In case of closure of forward exchange contracts, the difference between the booked forward rate and the prevailing spot rate for the counter transaction on the day of the maturity will be recoverable from or payable to the customer, as the case may be.

(ii) The State Bank reserves the right to direct under sub-section (2) of section 4 of the Foreign Exchange Regulation Act, 1947 that all forward contracts or any particular forward contract or class of forward contracts shall be closed out at the rate ruling on the day on which they were booked or on any other day within the currency of the contract(s) at its discretion and not necessarily at the rates prevailing on the day on which they are closed out.

13. Cancellation of forward contracts by the State Bank.

If in any particular case or cases State Bank is not satisfied with the transactions for which forward cover has been booked, it may direct the Authorized Dealers to cancel the forward contract immediately or within such period as it may prescribe.

14. Switch over of exchange contract in cover of imports/exports.

(i) Where the foreign beneficiary of a letter of credit is changed in accordance with the instructions contained in Chapter 13 of the Manual, Authorized Dealers may allow the forward foreign exchange booked in respect of the original letter of credit to be used for the new letter of credit provided the currency and the description of the commodity of the new letter of credit are the same as of the original letter of credit.

(ii) Where delivery against a forward sale made by an exporter against a particular contract or letter of credit cannot be made due to non-shipment, the exporter may give delivery out of export proceeds repatriated by him against other contract/letter of credit.

15. Forward covers against foreign currency accounts.

Persons (other than individuals) maintaining foreign currency accounts with the Authorized Dealers in Pakistan can sell forward the balances held in their accounts to the importers in connection with import letters of credit/indents, proforma invoices, orders registered with the Authorized Dealers for imports on consignment basis. The procedure to be followed in this regard is as under:

(i) The importer and foreign currency account holder (hereinafter called the "seller") will agree to the deal under intimation to the Authorized Dealer. For smooth conduct of transaction, it is necessary that the importer and seller are the customers of the same Authorized Dealer.
(ii) The seller will authorize the Authorized Dealer to mark a lien on the respective foreign currency account to the extent of the amount involved.
(iii) The Authorized Dealer will make separate arrangement with the importer for recovery at the opportune time of rupee equivalent at the forward rate agreed to between the importer and the seller.
(iv) As and when payment is required to be made for imports:

a. The Authorized Dealer will debit the foreign currency account of the seller and credit rupee equivalent at the forward rate to the seller's non-convertible rupee account.
b. Simultaneously, the Authorized Dealer will lodge the documents in its books at the forward rate agreed to between the importer and seller. The rupee recoveries from the importers will be made by the Authorized Dealer as per its own arrangement.
c. The Authorized Dealer will report the import transaction in the prescribed monthly foreign exchange returns.

(v) In case the importer fails to take up the contract arranged with the seller, it will be closed out and the exchange rate differential settled on the maturity date in the same manner as other forward sale contracts are closed out in accordance with paragraph 12 of this chapter.

(vi) The provisions of paragraphs 4 & 10 of this chapter will also apply to the forward contracts made in terms of this para.

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CHAPTER 5

NOSTRO ACCOUNTS & FOREIGN EXCHANGE EXPOSURE LIMITS OF AUTHORIZED DEALERS

Contents:

1. Introduction.
2. Nostro Accounts of the Authorized Dealers.
3. Foreign Currency held at the disposal of the State Bank.
4. Exposure Limits and Nostro Limits.
5. Calculation of Exposure Limits.
6. Exchange Exposure Position.
7. Purchase and sale of foreign currencies.
8. Inter-bank transactions.
9. Purchase of approved foreign currencies from and their sale to the Authorized Dealers by the State Bank.
10. Purchase and sale of foreign currencies from and to Authroized Dealers' Overseas Branches and Correspondents.

CHAPTER 5

NOSTRO ACCOUNTS & FOREIGN EXCHANGE EXPOSURE LIMITS OF AUTHORIZED DEALERS

1. Introduction.

This chapter sets out the regulations governing Nostro accounts of the Authorized Dealers and their operations. Further, it also contains regulations regarding purchase & sale of foreign currencies by the Authorized Dealers in the inter-bank market in Pakistan as well as purchase from and sale to the State Bank and their overseas branches and correspondents.

2. Nostro Accounts of the Authorized Dealers.

Authorized Dealers are permitted to open and maintain Nostro accounts in all convertible currencies with their branches and correspondents abroad.

3. Foreign Currency held at the disposal of the State Bank.

Foreign currency balances of Authorized Dealers, whether operated by their Head/Principal Offices or branch offices, shall at all times be held at the disposal of the State Bank which may give such directions for their disposal as it may consider necessary and expedient. The State Bank may direct Authorized Dealers at any time to sell either ready or for forward delivery, foreign currency or currencies held by them to the State Bank or to such other person or persons as the State Bank may direct.

4. Exposure Limits and Nostro Limits.

The State Bank fixes, from time to time, limits for foreign exchange exposure on an overall basis for all currencies for each Authorized Dealer. These limits are intended to cover the positions of all the branches in Pakistan of banks incorporated abroad, and all the branches, including overseas branches, if any, of banks incorporated in Pakistan. Head/ Principal Offices of Authorized Dealers should ensure on day to day basis that these limits are not exceeded.

5. Calculation of Exposure Limits.

The guidelines for calculating the exposure limits are available at Appendix VI-1.

6. Exchange Exposure Position.

Authorized Dealers are required to report to the Domestic Markets and Monetary Management Department, State Bank of Pakistan, Karachi, on daily basis, all the foreign exchange transactions (ready, forward, take-ups, cancellation and adjusting entries etc.) undertaken by them with counterparties that create foreign exchange exposure in any currency. This data is to be reported using the software available at URL http://www.sbp.org.pk/dmmd/Software.htm.

E-mails, containing following database files generated by the software, are required to be submitted on daily basis to the Domestic Markets and Monetary Management Department, by 9:30 am at the email address fxcrs@sbp.org.pk:

a) Deals
b) Take-ups
c) Cancelled deals
d) Adjusting entries
e) Closing balance
f) Currency-wise Nostro balances
g) FE-25 deposit/financing

7. Purchase and sale of foreign currencies.

Authorized Dealers may freely purchase foreign currencies, as there are no restrictions on inward remittances. All sales of foreign currencies to customers must, however, be against genuine transactions approved by the State Bank or by the Authorized Dealers under powers delegated to them.

8. Inter-bank transactions.

Authorized Dealers may freely buy and sell foreign currencies from and to other Authorized Dealers in Pakistan provided they remain within their permissible exposure limit.

9. Purchase of approved foreign currencies from and their sale to the Authorized Dealers by the State Bank.

The State Bank may, at its discretion, buy all approved foreign currencies from and sell to the Authorized Dealers both ready and forward.

10. Purchase and sale of foreign currencies from and to Authorized Dealers' Overseas Branches and Correspondents.

Authorized Dealers may freely purchase both ready and forward one foreign currency against another from their overseas branches and correspondents in order to cover their positions. Purchase of foreign currencies from and their sale to banks' overseas branches and correspondents against PKR may be made in accordance with the provisions of Chapter 7 of the Manual.

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Appendix VI-1

Guidelines for calculation of open positions and establishing position limits.

The method for calculating the open position and establishing position limits is as follows:

The overall position limit/foreign exchange exposure limit (FEEL) of each Authorized Dealer will be fixed as 20 percent of the audited paid-up capital (free of losses) in Pakistan with a maximum cap of PKR 3,500 million. However, the State Bank reserves the right to assign the FEEL to any Authorized Dealer below 20% of paid-up capital (free of losses), based on the trends observed in the utilization of FEEL.

The open position must first be measured separately for each foreign currency in which the Authorized Dealer is performing transactions or has assets or liabilities. The open position in a single currency is the sum of the spot position and the off-balance sheet position. Details of its calculation are provided in the Annexure. The net position in each currency is calculated by adding together the net spot position and net off-balance sheet position for each currency separately. For example, a spot deposit liability (FCA account) matched by an SBP forward contract (an off-balance sheet asset) would translate to a zero net open foreign exchange position.

Once the exposure has been determined in each individual currency, the second step is to measure the Authorized Dealer's overall exposure to foreign exchange risk.

- Conversion of the net position in each currency into the equivalent amount of domestic currency by using Ready exchange rates(as provided by State Bank for mark to market);
- Aggregation of the domestic currency equivalent values of all foreign currency short positions and of all foreign currency long positions;
- Comparison of the two totals, and selection of the greater of the two, which is defined as the overall exposure of the Authorized Dealer.

An example of how this method can be applied is provided in the Annexure.

ANNEXURE

Foreign Currency Exposure Regulation, Monitoring and Reporting for the Authorized Dealers.

This annexure provides a framework for foreign currency exposure regulation, monitoring and reporting for the Authorized Dealers. It contains the following sections:

- Regulations for the exposure limits that the Authorized Dealers have to observe (a sample calculation for exposure):

A. Foreign Exchange Risk Exposure.

a. Limit to the overall foreign exchange risk exposure.

(1) The overall foreign exchange risk position as at close of business each day of any Authorized Dealer shall not exceed FEEL assigned by the State Bank to it.

(2) In addition, each depository institution shall maintain its intraday overall foreign exchange risk position within prudent boundaries.

b. The overall foreign exchange risk exposure is the sum of the equivalent amount in domestic currency of all net short or long positions (whichever is greater) in currencies in which the Authorized Dealer has positions.

c. In calculating, foreign currency exposure in each single currency is defined as the domestic currency equivalent sum, currency by currency, of all foreign currency-denominated assets and liabilities. No foreign currency-denominated assets or liabilities can be deleted, unless it has been explicitly agreed with the supervisory authorities not to include that item (structural positions). Furthermore, the calculation shall include also the net forward (off-balance sheet) position in each currency.

Definitions of spot position and off-balance sheet (forward) position.

The spot position in a currency is the difference between assets and liabilities denominated in that currency, as they appear in the balance sheet. In particular, this includes accrued income and expenses: interest on loans and interbank borrowing and other income earned but not yet received, interest due to depositors, interbank providers of funds and administrative expenses not yet paid, as they appear in the relevant accounts of an Authorized Dealer applying the accrual principle.

According to this principle, unearned future interest and expenses should not be included in the position, since they are not yet recorded in the books. For instance, an Authorized Dealer borrows in foreign currency on the interbank market for one year, with all interest payable at the end. The principal amount is of course included in the position as soon as it is received. The appropriate amount of accrued interest is booked at the end of each month in the account tracing interest due but not yet paid. Therefore, interest is included in the position in monthly tranches.

However, since Authorized Dealers should know exactly how much interest they will have to pay at the end of the year, some Authorized Dealers find it more prudent to hedge the total amount of interest immediately. To hedge these interest payments without creating an artificial position, they need to include this interest in the position, even before it has been booked. Such a procedure, based on a prudent approach, should be considered as acceptable, provided that it is fully documented and applied by the Authorized Dealer in a consistent way.

Structural positions, like long-term participation in the capital of other banks and enterprises, are usually also deducted from the spot position.

Off-balance sheet items include all foreign currency-denominated assets and liabilities not included in the balance sheet. These transactions are recorded in the off-balance sheet section of the Authorized Dealer's books. Among these, forward transactions are typically the most common. The forward position includes all amounts to be received less all amounts to be paid at a future value date as a result of foreign exchange transactions which have already taken place.

Off-balance sheet items include:

- Spot foreign exchange transactions which have not yet been settled. When the day's deal is done, Authorized Dealers must record the amount of the bought currency to be received and the amount of the sold currency to be delivered in specific off-balance sheet accounts. When the deal is actually settled (usually two working days later), the off-balance sheet accounts are purged and the relevant accounts of the balance sheet incremented.

- Forward foreign exchange transactions. A procedure identical to the one for outstanding spot transactions should be used, with the difference that the delay between transaction and settlement dates will be longer. However, following the recommendation of the Basle Committee and in order to clearly separate the interest rate risk from the foreign exchange risk, the position should be valued by using the ready exchange rate rather than the forward rate.

- Guarantees and similar commitments denominated in foreign currencies, but only if they are certain to be called upon and are likely to be irrecoverable.

Other principles.

a. For the purpose of this regulation, the same definition of "paid-up-capital (free of losses)" will be used as currently used at the SBP in its Prudential Regulations.

b. The following other principles shall be applied:

(1) No undervaluation shall take place; assets are to be marked to market.

(2) Accrued interest is to be included, wherever applicable.

(3) Balance sheet and off-balance sheet (forwards etc.) exposures are reported separately but added together to arrive at overall exposure.

c. Besides the specific limitations, Authorized Dealers should be required to set up an internal system for:

(1) the immediate entry of foreign exchange operations, the continuous measurement of positions and their results;
(2) the monitoring of the risks, the implementation of internal limits and the designation of a high-ranking officer in charge of clearly defined responsibilities.

B. Sample Calculation of Foreign Exchange Risk Exposure.

This section provides an example of how to calculate the actual outstandings related to the limit of the overall foreign exchange risk exposure with the following foreign exchange positions:

1. **Positions** ('-' sign indicates a short position)

Currency	**Balance Sheet Position**	**Forward Position**	**Total**
USD	500	-800	-300
AUD	500	-200	300
SEK	-1,000	1,600	600
AED	200	---	200
THB	3,000	-800	2,200
HKD	-1,900	300	-1,600
JPY	200	700	900

a. To compute the outstanding exposures in relation to the limits, use the ready foreign exchange rates as provided by the State Bank for mark to market revaluation rate (hypothetical example) for each of the currencies in which a position does exist:

Currency	**Ready Mark to Market Exchange Rate**
USD	101.7671
AUD	77.918
SEK	11.8436
AED	27.7061
THB	3.1008
HKD	13.1052
JPY	0.8400

b. Compute the local currency equivalent of the spot and forward positions in foreign currencies, by currency:

	Balance Sheet		**Forward**		**Total**	
Currency	**Long**	**Short**	**Long**	**Short**	**Long**	**Short**
USD	50,884	-	-	-81,414		-30,530
AUD	38,959			-15,584	23,375	
SEK		-11,844	18,950		7,106	
AED	5,541				5,541	

THB	9,302			-2,481	6,821	
HKD		-24,900	3,932			-20,968
JPY	168		588		756	
Local Currency					7899	
Total	104,854	-36,744	23,470	-99,479	51,498	-51,498
Net	68,110			-76,009		
Overall against domestic currency						7,899

c. Sum up the local currency equivalent of all short and long foreign currency positions. The foreign currency position, overall, is 7,899 short, i.e. the domestic currency position is 7,899 long. The sum of all long (short) positions is 51,498 (-51,498).

Compare this figure with the assigned FEEL.

2. Reporting.

Foreign currency exposures have to be available to the treasury management functions of an Authorized Dealer at all times.

However, the Authorized Dealers have to report on a daily basis summary statistics on their exposures, together with information on their transactions between foreign currencies and the domestic currency by counterpart. The amounts to be reported are the domestic currency equivalents of the transactions. The transactions are for the spot date, not the value date.

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CHAPTER 6

PRIVATE FOREIGN CURRENCY ACCOUNTS

1. Opening of Foreign Currency Accounts with Banks in Pakistan.
2. Local US Dollar Instruments Collection and Settlement System.
3 Different Schemes for Foreign Currency Accounts.
4. State Bank's Forward Cover Scheme.
5. Acceptance of Deposits from foreign banks operating abroad and overseas branches.
6. Payment of subsidy on account of interest differential.
7. F.E. 25 Scheme.
8. Special Foreign Currency Accounts of Private Power Projects.
9. Special permission for Foreign Currency Accounts.
10. Reporting of receipts into and payments from foreign currency accounts.
11. Reporting of local disbursements from foreign currency accounts.
12. Reporting of interest on foreign currency accounts.

12A. Maintenance of record of foreign currency transactions and reporting to the State Bank.

13. Payments by Foreign Nationals in Foreign Currencies.
14. Foreign Exchange received by Residents in Pakistan.

CHAPTER 6

PRIVATE FOREIGN CURRENCY ACCOUNTS

1. Opening of Foreign Currency Accounts with Banks in Pakistan.

(i) Authorized Dealers may, without prior approval of the State Bank, open with them foreign currency accounts of the following: -

a) Pakistan Nationals resident in or outside Pakistan, including those having a dual nationality.

b) All foreign nationals, whether residing abroad or in Pakistan.

c) Joint Account in the names of residents and non-residents.

d) All diplomatic missions accredited to Pakistan, and their Diplomatic Officers.

e) All International Organizations in Pakistan.

f) Firms and companies established/incorporated and functioning in Pakistan, including those having foreign share-holdings except as outlined in sub-para (v) below.

g) Charitable Trusts, Foundations etc. which are exempted from income tax.

h) Branches of foreign firms and companies in Pakistan.

i) Non-resident Exchange Companies even if owned by a bank or financial institution.

j) All foreign firms/corporations, other than banks and financial institutions owned by Banks, incorporated and operating abroad provided these are owned by persons who are otherwise eligible to open foreign currency accounts.

k) Exchange Companies licensed by the State Bank in terms of FE Circular No. 9 dated the 30th July, 2002.

However, the facility is not available to airlines and shipping companies operating in/through Pakistan or collecting passage and freight in Pakistan and the investment banks, leasing companies and modaraba companies including those which have been granted licences to deal in foreign exchange.

(ii) Opening of foreign currency account covered by sub-para (i) is subject to the condition that these are not fed with:

a) any foreign exchange borrowed under any general or specific permission given by the State Bank, unless otherwise permitted;

b) any payment for goods exported from Pakistan;

c) proceeds of securities issued or sold to non-residents;

d) any payment received for services rendered in or from Pakistan;

e) earnings or profits of the overseas offices or branches of Pakistani firms and companies including banks, investment of resident Pakistanis abroad; and

f) any foreign exchange purchased from an Authorized Dealer in Pakistan for any purpose.

(iii) Corporate Bodies/Legal entities cannot generate funds from the Kerb market for deposit in their foreign currency accounts.

(iv) Foreign currency accounts can be fed by remittances received from abroad, travellers cheques issued outside Pakistan (whether in the name of account holder or in the name of any other person) and foreign exchange generated by encashment of securities issued by the Government of Pakistan. A foreign currency account of a citizen of Pakistan resident in Pakistan can also be fed with cash foreign currency only if the account holder is a filer as defined in Income Tax Ordinance, 2001[1].

(v) Opening by firms/companies of foreign currency accounts, which are to be fed through the funds of foreign equity/foreign currency loans raised for establishment of industrial and other projects and by contractors who receive payments in foreign exchange from the employers, would be as per procedure laid down in paragraph 9 of this chapter.

(vi) These accounts are free from all Foreign Exchange restrictions. In other words, account holders have full freedom to operate on their accounts to the extent of the balance available in the accounts either for local payments in Rupees or for remittance to any country and for any purpose or for withdrawals in the shape of foreign currency notes and travellers cheques. However, personal foreign currency accounts of any nature should not be used for commercial and business purposes. Further, in case of any deposit of foreign currency notes of more than USD 10,000 (or equivalent in other currencies) in a single day, the account holder shall be required to present the original receipt of acquisition. The Authorized Dealer shall keep on record the copy of such receipt. A restriction was placed on withdrawal in foreign currency from some categories of foreign currency accounts existing as on 28th May, 1998. The instructions issued vide FE Circular No.12 of 1998, as amended from time to time, would continue to be operative, till the restrictions are lifted. Holders of such accounts are, however, free to transfer their accounts from one Authorized Dealer to another.

(vii) Accounts can be maintained and payments (excluding local payments) made in any currency of choice of the account holder. Credit Card facility can be obtained by the account holders to the extent of the balances held in their respective accounts, for utilization in and outside Pakistan provided settlement of the bills in respect of expenditure within the country is made in Rupees only and the relevant foreign currency amount is taken by the Authorized Dealers in their daily exchange position.

(viii) Authorized Dealers can mark lien on the foreign currency accounts in respect of banking facilities like credit cards, bank guarantees and loan/credit etc. availed of by the account holders in and outside Pakistan. The aggregate amount of the facilities availed of in and outside Pakistan should not, however, exceed the balance in the respective accounts at any point of time and the regulations on credit should be strictly adhered to.

[1] EPD Circular Letter No. 05 dated Apr 12, 2018

(ix) Head/Principal Offices of Authorized Dealers will send to the State Bank such returns in respect of these foreign currency accounts as may be prescribed from time to time.

2. Local US Dollar Instruments Collection and Settlement System.

With the liberalization of the foreign currency regime in the country, and to facilitate operations for maintaining Foreign Currency Accounts under FE-25, Local US Dollar Instruments Collection and Settlement System has been introduced in Pakistan with effect from March 11, 2004.

Scope and Salient Features of Local US Dollar Instruments Collection and Settlement System are given in Appendix VI-2:

3. Different Schemes for Foreign Currency Accounts.

Foreign currency accounts covered by paragraph (1) could be opened by the Authorized Dealers upto 28th May, 1998 under the State Bank's forward cover scheme, and thereafter under the rules introduced vide FE Circular No.25 of June 20, 1998. Separate ledgers will be maintained by the Authorized Dealers for these foreign currency accounts. In addition, Special Foreign Currency Accounts can be opened with the specific or general permission of the State Bank.

4. State Bank's Forward Cover Scheme.

(i) Under the State Bank's forward cover scheme, the Authorized Dealers will fix their own rates of interest for Term Deposits of 3 months, 6 months, 12 months, 2 years and 3 years provided they do not exceed the average Bid rates provided by British Banker's Association (BBA) for the concerned currencies at the close of business on the previous working day plus the margins prescribed by the State Bank from time to time. The maximum rates for payment of interest, including the margins allowed by the State Bank, are published daily by the Foreign Exchange Rates Committee.

(ii) As regards foreign currency deposits of less than 3 months including Call Deposits, Savings Bank, Special Notice etc. accounts, Authorized Dealers shall pay interest on the basis of return last allowed on similar Rupee PLS Accounts provided the rate at which interest is paid does not exceed the interest rate applicable to 3 months Term Deposits of the relevant foreign currency.

(iii) Authorized Dealers shall sell all the deposits in foreign currency accounts to the State Bank in multiples of US$ 1,000/-, £ Stg.1,000/-, Euro 1,000/- and J. Yen 250,000/-. State Bank shall cover exchange risk of all such deposits as well as interest accruing thereon at the option of the Authorized Dealers, subject to payment of fee at the time of taking the forward cover at the rate(s) prescribed by the State Bank from time to time. Fee is payable on the full amount of forward cover obtained notwithstanding whether it is in respect of the amounts of deposit or for both the amount of deposit and interest. In case of premature withdrawal of deposit, fee for the unexpired period is refundable.

5. Acceptance of Deposits from foreign banks operating abroad and overseas branches.

As an exception to the rules set out in paragraph 1(i) (j) of this chapter, Authorized Dealers can accept foreign currency deposits from their overseas branches and foreign banks operating abroad, including financial institutions owned by them, provided the amount and period of maturity of such deposits is not less than those prescribed from time to time. Interest

on these foreign currency deposits can be paid by the Authorized Dealers annually, six monthly or quarterly in accordance with the option exercised by the depositor in writing at the time of placement of deposits. Interest can be paid at the rate not exceeding the prescribed margins over Bid rate for the respective period as provided by the BBA at the close of business on the working day immediately preceding the date of deposit as published by the Foreign Exchange Rates Committee.

6. Payment of subsidy on account of interest differential.

Where the interest paid on foreign currency Term Deposits of 3, 6 and 12 months on the basis of BBA's bid rates as prescribed in the earlier paragraphs exceeds the return last allowed on similar Rupee PLS Accounts, State Bank shall reimburse the amount of differential on account of the excess to the Authorized Dealers. For the purpose of claiming reimbursement of the differential, Authorized Dealers should furnish to the Chief Managers' Offices of the SBP-Banking Services Corporation, details of individual foreign currency Term Deposits in the prescribed form (Appendix V-2) while surrendering the amount of foreign exchange to the State Bank. This statement will be submitted in triplicate and bear running serial number. After the interest has been paid, claim for payment of interest differential will be lodged by the Authorized Dealers with the Chief Managers' Offices of the SBP-Banking Services Corporation in the form given at Appendix V-3.

7. F.E. 25 Scheme.

(i) The amounts of foreign currency deposits accepted outside State Bank's forward cover scheme i.e. under F.E. Circular No. 25 of 1998, are not required to be surrendered to the State Bank and the Bank will not provide any forward cover for the same. The Authorized Dealers accepting such deposits are free to lend, invest and place on deposit such funds in Pakistan and abroad subject to the observance of regulations prescribed under the Banking Companies Ordinance.

(ii) Authorized Dealers are free to decide the rate of return offered on such deposits.

(iii) Authorized Dealers may open foreign currency accounts and extend trade loans under FE-25 Scheme in US Dollar (USD), Pound Sterling (GBP), Euro (EUR), Japanese Yen (JPY), Canadian Dollar (CAD), UAE Dirham (AED), Saudi Riyal (SAR), Chinese Yuan (CNY), Swiss Franc (CHF) and Turkish Lira (TRY).

(iv) Authorized Dealers may use the interbank placements and interbank SWAPs or any other source of foreign currency liquidity that is permitted under SBP Rules/Regulations to extend trade loans in the above foreign currencies. However, currency of the trade loan should be the same as that of the underlying LC/ Firm Trade Contract.

(v) In terms of BSD Circular No. 18 dated the 31st March, 2001, Banks have been allowed to use/invest their deposits mobilized under FE 25 for financing of Import/Exports. The Authorized Dealers must follow the guidelines on the subject which are available at Appendix VI-3.

8. Special Foreign Currency Accounts of Private Power Projects.

(i) Authorized Dealers may open the following Special Foreign Currency Accounts/Off-shore Foreign Currency Accounts of private power projects in Pakistan as per the Implementation Agreements (IAs) entered into with Private Power and Infrastructure Board (PPIB), Government of Pakistan. These accounts will be maintained during the construction

and operation of the projects for the following purposes subject to the conditions mentioned against each and the balances held in such accounts will be retained by the Authorized Dealers in addition to their Exposure Limits and will also not be required to be reported under F.E. 25 Scheme:

a) Special Foreign Currency Account in or outside Pakistan.

This will be maintained for deposit of foreign equity and foreign currency loan under the Loan Agreement registered with the State Bank. The amounts available therein will be utilized for the purposes of the project as provided for in the IAs.

b) Special Foreign Currency Insurance Account .

This will be maintained for depositing amounts required for payment of insurance/reinsurance premia and for receiving insurance/reinsurance claims against covers taken in foreign currency outside Pakistan with the approval of the Controller of Insurance or with State Bank's approval from an insurer in Pakistan, provided that amounts not required for meeting expenditure in foreign exchange will be repatriated to Pakistan and converted into rupees.

c) Off-Shore Foreign Currency Control Account.

This will be maintained subject to the condition that PPIB/Independent Engineer would determine for each project the portion of revenues required to meet the foreign currency cost for operating the project.

d) Off-Shore Foreign Currency Operating Account.

This will be maintained subject to the condition that O&M expenses to be remitted/deposited periodically to this account will be apportioned by the PPIB/Independent Engineer.

e) Off-Shore Disputed Payment Escrow Account.

This will be maintained subject to the condition that the balance will be remitted to Pakistan once the dispute is over.

f) Off-Shore Foreign Currency Debt Payment Account.

This will be maintained for depositing the amount required for Debt Service.

g) Off-Shore Debt Service Reserve Account.

This will be maintained subject to the condition that this account will be liquidated simultaneously with the retirement of debt and the maximum balance in this account would not exceed the next 12 months Debt Service Payment (both Principal and Interest).

h) Off-Shore Foreign Currency Maintenance Reserve Account.

This will be opened and maintained subject to the condition that this amount will be liquidated simultaneously with the life of the agreement and that this account will hold the maximum of US$ 3 million during the term of Power Purchase Agreement.

i) Off-Shore Foreign Currency Dividend Account.

This will be used for receiving remittance of dividends as and when declared and paid by the company.

(ii) [2]A monthly statement in the form prescribed at Appendix V-4 will be submitted electronically to the Statistics & Data Warehouse Department of State Bank at fca.stat@sbp.org.pk by 5th of the following month for each account separately. However, certificates from the companies' auditors to the effect that the payments made from the accounts are strictly in accordance with or covered under the Implementation Agreement, Power Purchase Agreement or other agreements, if any, approved by the Government will be submitted to Exchange Policy Department of the State Bank.

(iii) Interest earned on balances held in these accounts will be repatriated to Pakistan.

(iv) There will be nil balance in the Main Control Account and all other accounts after the expiry of the relevant Agreement Period.

(v) Any earnings from dealing in currency/exchange should also be repatriated to Pakistan.

(vi) Authorized Dealers will ensure that Income Tax, wherever due on payments made through the accounts, is duly deducted and paid to the Income Tax Authorities.

(vii) Authorized Dealers may also open Special Foreign Currency Accounts of the foreign EPC (Engineering, Procurement and Construction) and O&M (Operation and Maintenance) contractors of the Power Projects operating in Pakistan with the approval of the Government for receipt of foreign currency amounts under the contracts awarded to them by the Power Projects and its utilization in accordance with the EPC/O&M contracts.

9. Special permission for Foreign Currency Accounts.

(i) Foreign Oil/Mineral exploration companies and foreign contractors and their foreign sub-contractors may be allowed by the Authorized Dealers to open foreign currency accounts under the Scheme described in paragraph 7 or Special Foreign Currency Accounts subject to the condition that they will meet all their expenditure in Pakistan including salaries of foreign nationals/non-residents in Pak Rupees only, out of rupee payments, if any, received by them in terms of their contracts/by converting in the inter-bank market funds received from their Head Offices/by converting funds from their foreign currency accounts in the inter-bank market.

(ii) (a) Firms and companies raising foreign equity and foreign currency loan may be allowed by Authorized Dealers to open special foreign currency account for receiving and retaining the foreign funds on submission of information about the source of foreign funding and the amount required to be retained in foreign currency. The funds available in such foreign currency accounts can be used by the account holders for making only those types of payments which are otherwise permissible in terms of the instructions laid down in this Manual (e.g. imports, consultancy) and which are related to the business of the account holder. Any amount not so used will be required to be converted into rupees in the inter-bank market and no withdrawal will be allowed in the shape of foreign currency notes.

[2] EPD Circular Letter No. 14 dated December 07, 2016

(b) The concerned Authorized Dealer will be required to submit monthly statements in the prescribed proforma (Appendix V-4) electronically to the Statistics & Data Warehouse Department of the State Bank at fca.stat@sbp.org.pk by 5th of the following month for each account separately. However, the related import documents, invoices, agreements etc. will be submitted to Exchange Policy Department of the State Bank.

10. Reporting of receipts into and payments from foreign currency accounts.

Receipt of foreign currency amounts for credit to the foreign currency accounts under the Forward Cover Scheme should be reported by the Authorized Dealers as "Purchase" on Schedule 'J' under Code 9532, 9533, 9534, 9535, 9536 in the case of accounts opened in terms of paragraph 1 and under Code 9648, 9649, 9650, 9651, 9652, 9698 and 9699 in respect of accounts opened under special permission granted by the State Bank in accordance with the provisions of paragraphs 8 & 9 ibid. Similarly payments out of the foreign currency accounts should be reported by the Authorized Dealers as "Sale" on Schedule E-4 under Code 1522, 1523, 1524, 1525, 1526 in the former case and under Code 1652, 1653, 1530 and 1699 in the later case. Transactions in accounts covered by paragraph 7 are also required to be reported in the summary statements.

11. Reporting of local disbursements from foreign currency accounts.

Authorized Dealers should report the payments in rupees from foreign currency accounts as "Sale" on Schedule E-4 under Code 1522, 1523, 1524, 1525, 1526 or, 1652, 1653,1530 and 1699 as the case may be. The Rupee receipts should simultaneously be reported as "Purchase" on relevant schedules under a code appropriate to the purpose of the receipt.

12. Reporting of interest on foreign currency accounts.

Interest paid by Authorized Dealers on Foreign Currency Accounts should be reported as "Sale" on Schedule E-4 of the monthly foreign exchange returns under Code 1431. The receipts should simultaneously be reported as "Deposits" in FCA on relevant schedules under an appropriate code.

12A. [3]Maintenance of record of foreign currency transactions and reporting to the State Bank.

Authorized Dealers are required to maintain consolidated data/record of transactions routed through foreign currency accounts of individuals/entities at their head offices on monthly basis, in addition to the data/record already being maintained, in the following manner:

i. Data of those personal foreign currency accounts maintained by individuals where aggregate amount exceeding US$ 10,000 or its equivalent in other foreign currencies is deposited in, withdrawn from or remitted out from the account during the month as per the format at Appendix VI- 4.

ii. Data of foreign currency accounts maintained by entities where aggregate amount exceeding US$ 25,000 or its equivalent in other foreign currencies is deposited in, withdrawn from or remitted out from the account during the month as per format at Appendix VI- 4.

[3] EPD Circular Letter No.03 dated February 23, 2016

[4]Further, Authorized Dealers should report data related to foreign currency accounts (deposits, utilization and borrowings, etc.) and that reported through various statements to the Director, Statistics & DWH Department at fca.stat@sbp.org.pk electronically through the Data File Structure (DFS) available at [5]Data Warehouse Knowledge Centre under Balance of Payment Tab latest by 7th of the following month for each reference month.

13. Payments by Foreign Nationals in Foreign Currencies.

Payments in foreign currency by foreign nationals residing in Pakistan to or on behalf of residents of Pakistan whether Pakistanis or foreign nationals are prohibited. Foreign nationals should not, therefore, directly or indirectly, make foreign currency available to the residents or to other persons on their behalf against payment in Rupees. Such payments are prohibited even from their foreign currency accounts which they are permitted to maintain and operate from Pakistan.

14. Foreign Exchange received by Residents in Pakistan.

Payments in foreign exchange received by an Authorized Dealer on behalf of a resident in Pakistan must not be retained in foreign exchange but must be converted into Rupees unless the State Bank has given general or special permission to the beneficiary to retain the foreign exchange received by him.

[4] FE Circular No. 01 dated February 17, 2017

[5] EPD Circular Letter No. 06 dated May 02, 2018

Appendix VI-2

Local US Dollar Instruments Collection and Settlement System

(i) **Instruments:** All financial instruments (cheques, drafts etc.) denominated in US$ drawn on bank branches (in cities as appear in the coverage list below) in Pakistan will be acceptable for this settlement system.

(ii) **Coverage:** The bank branches in the following cities will participate in the Local US Dollar Instruments Collection and Settlement System:

(a) Karachi (b) Lahore (c) Islamabad (d) Rawalpindi (e) Faisalabad (f) Multan (g) Sialkot (h) Peshawar (i) Quetta (j) Mirpur (k) Hyderabad.

Collection from all other cities will be arranged/ managed by each bank, by making internal arrangements, through any one of the above cities.

(iii) **Collection & Settlement Schedule:**

(a) There are two collection and settlement days per week, i.e. Monday and Thursday.

(b) If a collection / settlement day happens to be a bank holiday, then it will be skipped till the next collection/ settlement day.

(iv) **Designated Office:**

(a) Each bank will designate a branch/Regional/ Head office in Karachi for presenting outward and receiving inward instruments for collection and settlement through M/s National Institutional Facilitation Technologies (Pvt.) Ltd. (NIFT).
(b) NIFT will deal with only one designated office of each bank in Karachi for settlement of Karachi and upcountry branches.
(c) Each bank may also designate one branch in each city (i.e. from the coverage list) with whom NIFT and the designated branch of that bank in Karachi, if required, would liaise for issues regarding collection & settlement relating to other branches in that city.

(v) **Mandatory Settlement:** It will be mandatory for the banks operating in Pakistan, whose Head Offices or branch offices are located in Karachi:

(a) To be a member of this system.
(b) To open US$ settlement account with a minimum balance of US$ 10,000/- for settlement with SBP-Banking Services Corporation (Bank) Karachi and thereafter to maintain sufficient balance to cater to the requirements keeping in view their business volume. The said account will be remunerated on the same interest rate as for SCRR for FE-25.

(c) To settle payment of US$ instruments drawn on them through this system or to return unpaid instruments on settlement date.

(d) In case the paying bank does not return the original instrument on the settlement date to the presenting bank, it will be assumed that the instrument has been accepted for payment and will be settled through this system accordingly.

(vi) Processing Cycle:

(a) The collection/settlement will be centralized at Karachi. NIFT will interface with one designated branch of each bank in Karachi only.
(b) Banks will route all inward/outward instruments from their branches in Pakistan through their designated branch in Karachi.
(c) NIFT will collect/deliver all instruments for inward/outward settlement from the designated branches of Banks in Karachi, process the collection/settlement and deliver a consolidated statement to the respective designated branch of the bank.
(d) Each designated branch in Karachi will forward the instruments received in inward collection to the payee branch of their bank directly for 'Acceptance' or 'Return unpaid'.
(e) The payee branch will settle or return the original instrument, if any, to the designated branch in Karachi. NIFT will collect all return instruments from the designated branches in Karachi, process them alongwith inward collection and then route them to the related designated presenting Bank branch in Karachi.
(f) The Settlement proceeds of the instruments would be communicated to the concerned branch immediately by electronic or any other means on the same day for crediting to the concerned depositor's account.

(vii) Date Stamp: The Collecting Bank will affix the stamp of the date on which outward instruments would be sent to NIFT for collection.

(viii) Settlement: The net settlement will take place by debiting or crediting the respective banks' US Dollar clearing accounts on settlement date.

(ix) Settlement Statements: NIFT will provide a statement of collection / settlement statistics on monthly basis to ascertain the expenses payable by the lodging bank to paying bank at the rate of Rs. 100/- per instrument (for cheques drawn on cities other than Karachi) irrespective of whether the instruments are paid or returned unpaid. All other reports and information will be produced and provided on the existing pattern as for rupee clearing. NIFT will provide stationery and usual collection / settlement preparation material to the branches as is being done for PKR clearing systems.

(x) Forced Retention: If for some unavoidable reasons the relevant bank is unable to provide a returned cheque on the specific collection/settlement date due to any reason beyond control, the designated bank office in Karachi will provide to the concerned bank alongwith inward clearing instruments, with a copy to NIFT, a document on prescribed format (agreed between the banks and NIFT) giving details of the instrument, undertaking that the said instrument will be provided to the lodging bank directly on availability but not later than the subsequent collection / settlement date, that instrument will be considered as returned unpaid.

This process may function in a manner such that the designated bank will furnish the prescribed document in duplicate to NIFT in place of the returned document and NIFT will send the first copy to the lodging bank along with other returns, if any, as a return instrument.

(xi) Settlement in case of insufficient balances:

At any point in time when the net debit (inward & outward) cannot be paid out of a bank's US Dollar clearing account (due to insufficient balance) held with SBP-Banking Services Corporation (Bank), Karachi, the State Bank reserves the right to adopt a suitable alternate. This will primarily take the shape of payment through an appropriate overnight SWAP from the Pak Rupees clearing account balance of the bank with SBP to the extent of such shortfall in US Dollar account.

(xii) SWAP Limit for every Bank is advised to each bank individually.

(xiii) Settlement Charges:

NIFT will charge the presenting bank Rs.100/- per instrument for its services and Rs.100/- for processing a return instrument.

Appendix VI-3

Guidelines on use of deposits mobilized under FE-25 Scheme for financing of Imports/Exports

A. Exports (For financing pre-shipment, discounting/purchase of documents):

(a) Authorized Dealers are allowed to extend the FE-25 Export Loans after taking all necessary precautionary measures. The Export Loan facility should be backed by an L/C or firm contract(s).

(b) At the time of allowing the facility, the foreign exchange component of such facilities should be surrendered to an Authorized Dealer at the buying rate.

(c) [6]Authorized Dealers are required to assess the ability of the borrower to repay loan through repatriation of export proceeds in addition to assessing his repayment capacity in PKR. In this respect, Authorized Dealers shall keep in their record the assessment report for each case prepared by them for inspection by the SBP Inspection Team, as and when required. This report should be assessed by risk management department, audited by internal audit department and duly approved by the management as per the bank's policy taking into account the following:

aa. Financial soundness/repayment capacity of the borrower.

bb. Borrower's working capital needs.

cc. Export history of the borrower.

dd. Market reputation of the borrower.

(d) These loans should be settled through realization of export proceeds or remittances from abroad in line with the prescribed regulations. In case the loan is not settled due to non-shipment/cancellation/partial shipment within the prescribed timelines, Authorized Dealers shall recover a penalty from the concerned exporter at the rate of one percent per month or part thereof in the following cases:

aa. In case of non-shipment, penalty shall be recovered from the date of extension of the loan till settlement of the FE-25 loan.

bb. In case of settlement of the loan after the period prescribed by the State Bank, penalty shall be recovered for delayed period only.

However, in any case, the penalty shall not exceed 10% of the amount of loan. To this effect, the Authorized Dealer should get consent/agreement signed by the borrower at the time of extending the loan. The amount of penalty shall be deposited in favor of

[6] FE Circular No. 05 dated May 10, 2017

[7]State Bank of Pakistan through RTGS Clearing Account No. 427518. In this respect, a consolidated statement regarding all such cases will be submitted by Head/Principal Offices of the Authorized Dealers to the Director, Foreign Exchange Operations Department, SBP-Banking Services Corporation on monthly basis on prescribed format (Appendix V-144).

(e) The settlement of FE-25 loans in respect of cases mentioned at (d) above and other overdue cases under the said scheme, where the amount of loan exceeds USD 50,000/- or equivalent in other foreign currencies, shall be allowed by SBP through interbank market on a case to case basis for which Authorized Dealers may approach the Exchange Policy Department, State Bank of Pakistan, Karachi alongwith the following:

aa) Details of the transaction and certified copies of underlying documents.

bb) Justification for intended settlement of export loan through interbank market.

cc) Certificate from bank's internal audit department that the loan was disbursed after satisfying with the financial health and repayment capacity of the borrower in line with rules and regulations governing FE-25 Loans. Further, the bank has exhausted all efforts/means to get the loan settled by the exporter in line with the prescribed instructions.

dd) Recommendations of the bank for settlement of loan through interbank market.

(f) As regards outstanding loans amounting to USD 50,000/- or below, the respective Authorized Dealers may settle the loan itself through interbank market subject to observance of the above guidelines. This provision shall be applicable on outstanding loans granted previously as well as on loans to be granted in future.

(g) In case the exporter fails to settle the loan amount as per the prescribed procedure, Authorized Dealers may convert underlying foreign exchange liability into PKR after recovery of penalty as mentioned at (d) above.

(h) The SBP's approval for settlement of FE-25 loan through interbank market shall not affect adjudicating proceedings, if in progress, with the Foreign Exchange Adjudication Department, SBP-Banking Services Corporation against exporter/ Authorized Dealer in connection with repatriation of export proceeds from abroad.

(i) Authorized Dealers shall maintain complete record of transactions related to settlement of FE-25 loans and shall present the same to SBP Inspection Team for inspection, as and when called for.

(j) If at any stage, it is established that the exporter has misutilized the loan, he will not be eligible to avail such facility in future. Moreover, violation of any rule/regulation/instruction on the part of Authorized Dealer would attract regulatory action under the related provisions of the Foreign Exchange Regulation Act, 1947.

[7] EPD Circular Letter No. 22 dated Dec 05, 2017

(k) Authorized Dealers are allowed to adjust foreign currency loan against pre-shipment finance from the proceeds of the post shipment facility, against which the pre-shipment facility was allowed earlier, like discounting of foreign bills in foreign currency.

(l) On receipt of export proceeds, the Authorized Dealers would adjust the loan outstanding against that export bill and PRC can be issued to the extent of export proceeds at exchange rate on which original financing was allowed by converting into Pak Rupees accordingly. The reporting of 'E'/ 'EFE' forms would be done on the date of receipt of export proceeds.

(m) All bank charges on exports and interest on such export loans would be recovered from inter-bank market against form 'M' that would be submitted alongwith the monthly foreign exchange returns.

(n) For outstanding forward cover and subsequent financing of export bills in foreign currency, instructions contained in Para 11 Chapter 4 of FE Manual would apply.

(o) The pre-shipment finance allowed against an L/C or firm contract would only be adjusted through discount of documents against the same L/C or firm contract.

(p) In case, maturity of a pre-shipment export loan under FE-25 deposits falls prior to the date of realization of export proceeds, exporters have the option to convert the pre-shipment loan into post-shipment loan, provided the maximum period of the loan (both pre-shipment & post-shipment) does not exceed 270 days.

B. <u>Imports (Financing against Import Bills)</u>

(a) The facility for imports can be allowed only from the date of actual execution of import payments in foreign currency by creating a foreign currency loan against the importer. The maximum period of such loans should not exceed six (6) months from the date of disbursement.

(b) For repayment of the loan, the Authorized Dealers are allowed to purchase foreign currency to the extent of loan from inter-bank market at the prevailing exchange rate on the date of repayment in order to adjust foreign currency loan outstanding against such importer(s).

(c) Authorized Dealers are allowed to purchase foreign currency from inter-bank market to cover the interest amount on such loans against submitting 'M' forms alongwith monthly foreign exchange returns.

(d) The reporting of forms 'I'/ 'EIF' would be on the date of actual payment against the documents.

(e) No forward cover will be provided to importer(s) who avail foreign currency finance against FE-25. The forward cover facility is allowed only against outstanding import commitments.

C. <u>Reporting Procedure</u>:

I) <u>Lending to Exporters.</u>

- At the time of extending the loan, the transactions will be reported on Schedule 'E-4' as payment for loan under the Code No.1535 or1536 (The disbursement will be made in equivalent Pak Rs.).

- At the time of adjustment of loan at realization of foreign exchange proceeds of exports, the realization of export bill will be reported under relevant code HS code on Schedule A-1. In case of non-realization of export receipts, use purpose code 9543 or 9544 at Schedule J.

II) Lending to Importers.

- At the time of extending the loan, payment abroad against import will be reported on Schedule E-2 under relevant HS code. However, at the time of adjustment of loan purpose code 9545 will be reported on Schedule 'J' as receipt.

- Authorized Dealers are allowed to utilize the funds under FE 25, generated through the following sources, for lending for trade related activities i.e. imports and exports:

  a) Interbank placements

  b) Interbank SWAPs (Buy/Sell $)

- Foreign currency funds generated through SWAPs (Buy/Sell $) from the State Bank would also be eligible for financing of above trade-related activities.

- Re-discounting of the export documents abroad in Foreign Currency is also permissible during normal course of business. Authorized Dealers are allowed to remit re-discounting charges according to para 18 Chapter 14 of the FE Manual.

- Substitution of the Contracts/LCs may be allowed upto a maximum period of six months from the date of disbursement of the loan. It means that settlement/execution of the last substituted Contract/LC should not extend beyond six months from the date of disbursement of loan.

- Authorized Dealers are required to submit FE-25 deposits & their utilization position on monthly basis to the Director, Statistics and Data Warehouse Department on the format showing currency wise position latest by the 7th of each month.

Appendix VI-4

1. ABC Bank Ltd.

Aggregate data of Deposits /Withdrawals/Remittances exceeding USD 10,000 or its equivalent in other currencies in Foreign Currency Account of Individuals for the month ended_____ **(Annex. I)**

Sr. No.	Name of Branch with Code	Title of Account	NTN/ CNIC/ Passport No.	A/c No.	Currency of Account (USD, GBP, etc)	Account Opening Date	Profession/ Nature of Business	Opening Balance at start of month	Total Credits (USD_____)			Total Debits (USD_____)			Cumulative Amount of Credits since start of the month	Cumulative Amount of Debits since start of the month	Balance as at End of the Month
									Cash	Transfer from other local FCY A/cs	Inward Remittances	Cash Withdrawals	Transfer to other local FCY A/cs	Outward Remittances			
1	2	3	4	5	6	7	8	9	10			11			12	13	14

2. ABC Bank Ltd.

Aggregate data of Deposits /Withdrawals/Remittances exceeding USD 25,000 or its equivalent in other currencies in Foreign Currency Account of entities for the month ended_____ **(Annex. II)**

Sr. No.	Name of Branch with Code	Title of Account	NTN No.	A/c No.	Account Category (Foreign Currency Account/ Special Foreign Currency Account, etc.)	Currency of Account (USD, GBP, etc)	Account Opening Date	Nature of Business	Opening Balance at start of the month	Total Credits			Total Debits			Cumulative amount of Credits since start of the month	Cumulative Amount of Debits since start of the month	Balance as at End of the Month
										Transfer from other local FCY A/cs	Inward Remittances	Cash	Transfer to other local FCY A/cs	Outward Remittances	Any other means (Please specify)			
1	2	3	4	5	6	7	8	9	10	11			12			13	14	15

CHAPTER 7

NON-RESIDENT RUPEE ACCOUNTS OF AUTHROIZED DEALERS' OVERSEAS BRANCHES, FOREIGN CORRESPONDENTS AND NON-RESIDENT EXCHANGE COMPANIES

Contents

1. General.
2. Opening of Non-Resident Rupee Accounts of Banks.
3. (Omitted).
4. Transfer to the Credit to the Non-Resident Rupee Accounts.
5. Transfer to the Debit to the Non-Resident Rupee Accounts.
6. Transfer between the Non Resident Rupee Accounts of Overseas Branches and Foreign Correspondents of Authorized Dealers .
7. Credits to Non-Resident Rupee Accounts against Foreign Currencies purchased by Authorized Dealers.
8. Debits to Non-Resident Rupee Accounts for remittance abroad in equivalent foreign currencies .
9. Non-Resident Rupee Accounts of Non Resident Exchange Companies.

CHAPTER 7

NON-RESIDENT RUPEE ACCOUNTS OF AUTHROIZED DEALERS' OVERSEAS BRANCHES, FOREIGN CORRESPONDENTS AND NON-RESIDENT EXCHANGE COMPANIES

1. General.

Rupee accounts of Authorized Dealers' overseas branches or their foreign correspondents are treated as non-resident accounts. The accounts of different branches of the same bank situated in different countries must be identified separately and the accounts of each branch in one country should be designated as accounts of that country.

2. Opening of Non-Resident Rupee Accounts of Banks.

Authorized Dealers may open non-resident rupee accounts of their overseas branches or foreign correspondents without the prior approval of the State Bank. Opening of these accounts shall, however, be subject to fulfillment of AML/KYC regulations/guidelines issued by the State Bank and compliance of international obligations.

3. (Omitted).

4. Transfer to the Credit to the Non-Resident Rupee Accounts.

Any payment for credit to non-resident rupee account of Authorized Dealer's overseas branch and foreign correspondent constitutes an outward remittance and is equivalent to a sale of the appropriate foreign currency. Such credits may be made by the Authorized Dealers against approved transactions covered by Forms 'T-1', 'I'/'EIF' or 'M' approved by the State Bank or by the Authorized Dealers on behalf of the State Bank, as permissible.

5. Transfer to the Debit to the Non-Resident Rupee Accounts.

Payment in rupees to the debit of non-resident rupee account of Authorized Dealer's overseas branch and foreign correspondent constitutes an inward remittance and is equivalent to purchase of the appropriate foreign currency. Such payments may be made freely by the Authorized Dealers in Pakistan by using Form 'E'/ 'EFE', 'R/ IRV'.

6. Transfer between the Non-Resident Rupee Accounts of Overseas Branches and Foreign Correspondents of Authorized Dealers.

Transfers between non-resident rupee accounts with the same or different Authorized Dealers may be freely allowed irrespective of their monetary area. In respect of such transfers, credits should be covered by Form 'M' in which the name and address of the bank/branch whose account is debited and the name of the Authorized Dealer with whom that account is maintained should be given. The form may be approved by the Authorized Dealer on behalf of the State Bank. No form needs to be completed covering

debits, details of which should be reported to the SBP-Banking Services Corporation in the manner prescribed in Chapter 22.

7. Credits to Non-Resident Rupee Accounts against Foreign Currencies purchased by Authorized Dealers.

Authorized Dealers may freely purchase foreign currencies from their overseas branches and foreign correspondents and credit the rupee equivalent to their non-resident rupee accounts.

8. Debits to Non-Resident Rupee Accounts for remittance abroad in equivalent foreign currencies.

Prior approval of the State Bank would be required for the sale of foreign currencies to Authorized Dealers' overseas branches and foreign correspondents against credit balance available in their non-resident rupee account.

9. Non-Resident Rupee Accounts of Non-Resident Exchange Companies.

Non-resident Exchange Companies may, in addition to opening a foreign currency account under Para 1, Chapter 6 of Foreign Exchange Manual, open non-resident rupee accounts for the purpose of effecting payment of remittances made by overseas Pakistanis. Such accounts will be fed by sale of foreign currency by the account holder. Authorized Dealers are permitted to enter into overdraft arrangements with the exchange companies subject to the condition that they will obtain guarantee of a reputable bank equivalent to one month's aggregate rupee overdraft, and the replenishment from the exchange companies should be called within 5 working days of the overdraft.

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CHAPTER 8

NON-RESIDENT RUPEE ACCOUNTS

1. Introduction.

2. Opening and Maintaining of Non-resident Rupee Accounts of Persons other than Banks.

3. Status of existing Non-resident Rupee Accounts.

4. Accounts of United Nations and its Organizations.

5. Joint Accounts of Residents and Non-residents.

6. Operations on Non-resident Rupee Accounts - Repatriable.

7. Operations on Non-resident Rupee Accounts- Non-repatriable.

8. Submission of Statements/Returns to State Bank.

CHAPTER 8

NON-RESIDENT RUPEE ACCOUNTS

1. Introduction.

Accounts of individuals, firms or companies resident outside Pakistan are designated as non-resident accounts. For the purpose of this chapter, a person shall be treated as non-resident if his/her period of stay in Pakistan during a calendar year is less than 183 days, in aggregate. This chapter sets out the regulations governing non-resident rupee accounts opened and maintained by the following individuals and entities other than banks:

a) Overseas Pakistanis.
b) Foreign nationals except those who have obtained work visa/permit to work in Pakistan.
c) Firms, companies, etc. which are incorporated/registered outside Pakistan.

2. Opening and Maintaining of Non-resident Rupee Accounts of Persons other than Banks.

(i) Authorized Dealers may open and maintain the following two categories of non-resident rupee accounts of the individuals and entities mentioned in Para 1 above:

a) Non-resident Rupee Account-Repatriable (NRAR).
b) Non-resident Rupee Account-Non-repatriable (NRAN).

(ii) These accounts may be opened by the Authorized Dealers without prior approval of the State Bank. In this respect, Authorized Dealers must follow their standard operating procedures for opening and maintaining of such accounts and ensure compliance of all applicable AML/CFT regulations/guidelines including identification of ultimate beneficial ownership and purpose of the account. Further, Authorized Dealers may also collect all documents related to account opening through their overseas branches, representative offices or banking subsidiaries abroad. In this respect, the Authorized Dealers should ensure that the account opening forms etc. and trained staff are available at aforesaid branches, representative offices or subsidiaries abroad. The overseas branch, representative office or banking subsidiary, after fulfilling account opening formalities, shall forward related documents to the head office/designated branch of the Authorized Dealer in Pakistan for further processing.

(iii) Authorized Dealers shall distinctively mark these accounts in their books and maintain them in a separate ledger. Existing resident PKR accounts of Pakistanis and foreign nationals can be converted into non-resident rupee account – non-repatriable upon confirmation of their status as non-resident.

3. Status of existing Non-resident Rupee Accounts.

Existing accounts of individuals and entities, as mentioned in Para 1 above, shall be treated as Non-resident Rupee Accounts- Non-repatriable. In this context, Authorized Dealers shall develop their systems to allow operations on such accounts as per the instructions contained in para 7 of this chapter.

4. Accounts of United Nations and its Organizations.

In terms of Section 5 of Article-II of the Schedule appended to the United Nations (Privileges and Immunities) Act, 1948, the accounts of United Nations and its organizations are free from financial controls. Authorized Dealers should, therefore, treat such accounts maintained with them as "Resident Accounts".

5. Joint Accounts of Residents and Non-residents.

There is no bar on non-resident foreign nationals/ non-resident Pakistanis on opening and maintaining non-resident rupee accounts-repatriable/non-repatriable jointly with residents. These accounts should, however, be treated as non-resident accounts irrespective of the fact whether the accounts are to be operated individually or jointly.

6. Operations on Non-resident Rupee Accounts –Repatriable.

All operations of non-resident rupee accounts-repatriable shall be governed by the regulations set out below:

i) General Instructions.

a) An initial deposit up to Rs. 5,000/- may be made in the account from domestic sources, if required.
b) Authorized Dealer may issue cheque book, ATM/Debit card to the account holder. Further, supplementary ATM/Debit cards may also be issued in the name of family members of the account holder resident in Pakistan.
c) In case debit cards are used outside Pakistan, settlement thereagainst shall be made by the Authorized Dealer through interbank.
d) The account holder may give power of attorney to a person resident in Pakistan to operate the account.
e) Authorized Dealers may allow operations of these accounts through digital banking which may include internet/mobile banking, etc.
f) In case above account becomes dormant due to non-operation as per the existing regulations, it can be made operative by fulfilling usual formalities at domestic as well as overseas branch, representative office or banking subsidiary of the Authorized Dealer.
g) Authorized Dealers will ensure ongoing monitoring of these accounts to mitigate ML/FT risk, as in case of resident account.

ii) Credits to the Non-resident Rupee Accounts - Repatriable

Non-resident rupee accounts - repatriable shall be fed with:

a) Remittances received from abroad through banking channel.
b) Funds approved/allowed for remittance abroad either by State Bank or by the Authorized Dealers under general authority delegated, subject to applicable terms and conditions.
c) Transfer of funds from other non-resident rupee account-repatriable with the same Authorized Dealer in Pakistan.
d) Profit/interest accrued on the amount lying in the non-resident rupee account-repatriable.
e) Proceeds of Government of Pakistan's debt securities, term deposits and profit/interest on such securities/certificates received on account of investments made through non-resident rupee account-repatriable as mentioned at sub-para (iii) (f) below.
f) Refund of amounts debited incorrectly or over-charged.

iii) Debits to the Non-resident Rupee Accounts - Repatriable

Non-resident rupee accounts- repatriable can be debited for the following purposes:

a) Any payment in PKR to the persons resident in Pakistan including utility bill payments, education fee, hospital, insurance premium, hotel bills, travel agent's payments etc. through any permissible mode.
b) Settlement of import bills by non-resident importer against goods/services exported from Pakistan.
c) Transfer of funds to other resident, non-resident rupee accounts- non-repatriable with any Authorized Dealer in Pakistan.
d) Transfer of funds to other non-resident rupee accounts- repatriable with the same Authorized Dealer in Pakistan.
e) Remittances and payments outside Pakistan to the extent of balances available in the account.
f) Investments in Governments of Pakistan's debt securities (T-bills, PIBs, Sukuk and any other registered debt security), term deposit/remunerative account with the same bank provided such investment shall be made by the Authorized Dealers through the special instructions received from the account holder in this behalf.
g) Debits in lieu of applicable government taxes/duties etc. bank charges and reversal of any incorrect/wrong credit entry.

7. Operations on Non-resident Rupee Accounts –Non-repatriable.

All operations of non-resident rupee accounts- non-repatriable shall be governed by the regulations set out below:

a) Authorized Dealer may issue cheque book, ATM/Debit card to the account holder. Further, supplementary ATM/Debit cards may also be issued in the name of family members of the account holder resident in Pakistan.
b) Funds available in these accounts shall be treated as non-repatriable and can only be used for making payments/withdrawals etc. in Pakistan only.
c) Authorized Dealers may allow all legitimate debit and credit transactions in these accounts as are permissible to a resident PKR accounts. However, the funds

available in these accounts cannot be used abroad through ATM/Debit cards or other Alternative Delivery Channels.

d) Authorized Dealers may extend loan facilities for local consumption to these account holders, subject to compliance with applicable prudential regulations.
e) The account holder may give power of attorney to a person resident in Pakistan to operate the account.
f) Authorized Dealers may allow operations of these accounts through digital banking which may include internet/mobile banking, etc.
g) In case above account becomes dormant due to non-operation as per the existing regulations, it can be made operative by fulfilling usual formalities at domestic as well as overseas branch, representative office or banking subsidiary of the Authorized Dealer.
h) Authorized Dealers will ensure ongoing monitoring of these accounts to mitigate ML/FT risk, as in case of resident account.

8. Submission of Statements/Returns to State Bank.

i) Authorized Dealers shall submit a consolidated monthly statement showing debit and credit transactions executed from these accounts through their head/principle office by 7th of the ensuing month for each reference month to Statistics & Data Warehouse Department of the State Bank on the Annexure-I & Annexure-II.

ii) Authorized Dealers shall ensure proper reporting of the transactions conducted from these accounts in their monthly foreign exchange returns through ITRS and maintain complete record including underlying documents for SBP inspection.

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Annexure- I

i). Non-Resident Rupee Account – Repatriable (NRAR).

NAME OF AUTHORIZED DEALER												
Statement in respect of Transactions conducted through Non-Resident Rupee Accounts - Repatriable for the Month of _____												
			Credits				**Debits**					
	Total Number of Accounts	Opening Balance	Inward Remittances	Remittable Funds (Approved by SBP or ADs.	Transfer from other NRAR with the same bank.	Proceeds/ interest received from investment made through NRAR	Payments/ Withdrawal through any mode in Pakistan	Settlement of import bills by non-resident importer	Transfer to other resident and NRAR & NRAN.	Remittance / Payments Abroad	Investment made from the NRAR.	Closing Balance
	1	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**
Overseas Pakistani												
Foreign nationals												
Firms and Companies etc.												
Total												

Annexure- II

ii). Non-Resident Rupee Accounts Non-repatriable (NRAN).

NAME OF AUTHORIZED DEALER						
Statement in respect of Transactions conducted through Non-resident Rupee Accounts- Non-repatriable for the Month of _____						
			Credits		**Debits**	
	Total Number of Accounts	**Opening Balance**	**inward Remittances**	**Local credits in NRAN through any permissible mode**	**Disbursements/ Payments/ Withdrawals from NRAN through any permissible mode in Pakistan**	**Closing Balance**
	1	**2**	**3**	**4**	**5**	**6**
Overseas Pakistani						
Foreign nationals						
Firms and Companies etc.						
Total						

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CHAPTER 9

BLOCKED ACCOUNTS

1. Introduction.

2. Definition of Blocked Account.

3. Banks authorized to maintain Blocked Accounts.

4. Opening of a New or Designation of an Existing Account as Blocked Account.

5. Payment to Blocked Account deemed as a Good Discharge.

6. Payments to a Blocked Accounts.

7. Procedure regarding Payments to Blocked Accounts.

8. Operations on Blocked Accounts.

9. Use of Blocked Balances.

CHAPTER 9

BLOCKED ACCOUNTS

1. Introduction.

Section 6 of the Foreign Exchange Regulation Act, 1947 empowers the State Bank to block the accounts in Pakistan of any person resident outside Pakistan and direct that payment of any sums due to that person shall only be made to a blocked account. In other words, amounts due to a person resident outside Pakistan, to whom remittances cannot be allowed, shall be credited to the blocked accounts of that person to ensure that the funds are not directly remitted or otherwise used in a manner contrary to the provisions of the Act.

2. Definition of Blocked Account.

A "blocked account" means an account opened as a blocked account at any office or branch in Pakistan of a bank authorized in this behalf by the State Bank or an account blocked by the order of the State Bank.

3. Banks authorized to maintain Blocked Accounts.

All Authorized Dealers are permitted to open and maintain blocked accounts subject to the conditions laid down in subsequent paragraphs of this chapter. In certain cases, banks other than the Authorized Dealers may also be authorized by the State Bank to open and maintain blocked accounts.

4. Opening of a New or Designation of an Existing Account as Blocked Account.

The State Bank may direct an Authorized Dealer to open a new or designate an existing account as "Blocked Account". A blocked account may also be opened as a joint account in the name of a resident and a non-resident. No blocked account may be un-blocked or an existing 'free' account may be blocked by an Authorized Dealer except under the directions from the State Bank.

5. Payment to Blocked Account deemed as a Good Discharge.

Sub-section (1)(b) of Section 6 of the Act provides that where the State Bank has directed that any payment due to a non-resident may be made to a blocked account in his name with a bank in Pakistan, the crediting of the sum to the blocked account shall, to the extent of the sum credited, be a good discharge to the person making the payment.

6. Payments to a Blocked Accounts.

The State Bank may not approve certain remittances in settlement of liabilities to a particular person resident outside Pakistan. Payments in discharge of such liabilities to such person may be allowed to be made to a blocked account subject to such terms and conditions as may be specified by the State Bank.

7. Procedure Regarding Payments to Blocked Accounts.

Where the State Bank directs that a payment be made to a blocked account, it may be made either:

(i) by a banker's payment order/cheque marked 'payable to blocked account of _____only' or

(ii) by a crossed cheque or warrant drawn in favour of the beneficiary and marked with the words "Payable to blocked account of payee only."

(iii) Where such a cheque or warrant is sent to the payee, it is desirable that the payee should arrange for the opening of a blocked account with an Authorized Dealer in Pakistan before forwarding the instrument to that bank for collection. Application mentioning the name of the payee as the transferee and clearly marked 'Blocked Account' must be submitted to the State Bank for prior approval. The collecting bank must endorse cheques, warrants or drafts so marked "received for the credit of blocked account at …… (Bank and Branch)" before presenting them for payment. The paying bank shall not pay such instruments, unless they are approved by the State Bank for payment to a blocked account. After payment has been made, the bank must endorse the instrument as "Payment made to blocked account at …… (Bank and Branch)". The amount which the State Bank has directed to be credited to a blocked account, must be immobilized pending the opening of the account and may not be used for any other purpose except with the prior approval of the State Bank.

8. Operations on Blocked Accounts.

The State Bank may issue special instructions regarding operations on blocked accounts. In the absence of any such special instructions, no payments into or withdrawal from blocked accounts may be made unless prior approval of the State Bank has been obtained.

9. Use of Blocked Balances.

Balances held in blocked accounts may be invested in approved government debt securities" expressed to be payable in Rupees or in fixed deposit with the bank in which the account is held subject to the prior approval of the State Bank. Such investment must be made through the bank with whom the blocked account is kept and registered in the name of the non-resident account holder or his/her nominee(s) in Pakistan. The securities should not be held in bearer form and should not be sold or transferred without the permission of the State Bank. The income generated through investments in securities and sale proceeds of such securities must only be credited to the blocked account of the respective non-resident.

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CHAPTER 10

INWARD AND OUTWARD REMITTANCES

1. Inward Remittances.
2. Inward Remittance - No Restrictions.
3. Home Remittances Arrangements.
4. Home Remittances.
5. Outward Remittances.
6. Mode of Remittances.
7. Prescribed Application Forms.
8. Applications by Letters.
9. Applications to be submitted to the State Bank/SBP-Banking Services Corporation only through an Authorized Dealer.
10 Forwarding Applications to the State Bank/SBP-Banking Services Corporation.
11. Processing of Approved Form etc.
12. Permits for Recurring Remittances.
13. Effecting Remittances against Permits.
14. Period of validity of approval by the State Bank.
15. Release of Foreign Exchange for Travel Abroad.
16. Processing of Approvals given on one Authorized Dealer's Form by anotherAuthorized Dealer.
17. Reporting of Remittances.
18. Cancellation of Outward Remittances.
19. Cancellation of Inward Remittances.
20. Utilization of Exchange for the purpose it is obtained.

CHAPTER 10

INWARD AND OUTWARD REMITTANCES

1. Inward Remittances.

The term 'inward remittance'' means purchase of foreign currencies in whatever form and includes not only remittances by M.T., T.T., draft etc., but also purchase of travellers cheques, drafts under travellers letters of credit, bills of exchange, currency notes and coins etc. Debit to banks' non-resident Rupee accounts also constitutes an inward remittance. This chapter, however, does not cover purchase of foreign currency notes and coins which is dealt with in Chapter 11.

2. Inward Remittance – No Restrictions.

There is no restriction on receipt of remittances from abroad either in foreign currency or by debit to non-resident Rupee accounts of banks' overseas branches or correspondents. Authorized Dealers may freely purchase T.Ts, M.Ts, drafts, bills etc., expressed and payable in foreign currencies or drawn in Rupees on banks' non-resident Rupee accounts. There is also no objection to their obtaining reimbursement in foreign currency from their overseas branches and correspondents in respect of Rupee bills and drafts which are purchased by them under letters of credit opened by non-resident banks or under other arrangements.

3. Home Remittances Arrangements.[1]

In order to support and facilitate banks in their diligence process, before finalization, the banks are required to forward to Exchange Policy Department draft of all Home Remittances related agreements intended to be made with other entities both within and outside Pakistan. Exchange Policy Department will provide its input, if any, on the draft agreements so received but the ultimate responsibility to adequately safeguard their interest would remain on the banks.

4. Home Remittances. [2]

(i) With a view to encourage overseas Pakistanis and others to use banking channels for home remittances, and to protect the remitters / beneficiaries from any losses that they may incur due to unwarranted delays in receipts of funds in the beneficiaries' accounts, the banks shall put in place a mechanism as per PSD Circular No. 02/2009 dated August 22, 2009 which will, interalia, ensure that:

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[1] Amended vide EPD Circular Letter No. 05 dated May 30, 2008

[2] Amended vide FE Circular No. 04 dated August 22, 2009

a) In case where the beneficiary is maintaining its account within the same bank, the amount of remittance will be credited to the beneficiary's account instantly.

b) In case where the beneficiary is maintaining its account with bank other than the recipient bank, the recipient bank will intimate and give credit of the same to the other bank as per guidelines in PSD Circular No. 02/2009 dated August 22, 2009, however maximum within 24 hours of the receipt of funds. The bank maintaining the account of the beneficiary, after receiving intimation and funds from the recipient bank, will give credit to the beneficiary's account instantly.

c) In case where the payment is required to be made through Pay Order/ Demand Draft to the beneficiary, the bank will issue and dispatch the same within 24 hours of receipt of funds by the bank.

d) In case where the banks are offering the facility of cash over the counter to the beneficiary, the banks shall ensure the availability of the funds instantly.

(ii) In case where the amount of remittance is not credited/ paid to the beneficiary as mentioned above, the beneficiary shall be entitled to a return of sixty five (65) paisa per thousand rupees per day for the number of days credit/payment on account of remittance was delayed. The banks should, therefore, ensure that the amount of remittances is credited/ paid to the beneficiary within time frame laid down above. In case of delays in the crediting/ making payment of remittance amount, the banks shall remunerate the beneficiaries at the rate given above.

(iii) Where a tendency is noted by the State Bank on the part of any bank, either through inspection or on the basis of the pattern of complaints, to delay the credit/ making of payment to the beneficiary's account, penalties shall be imposed on such banks under the provisions of the Banking Companies Ordinance, 1962.

5. Outward Remittances.

The term "outward remittance" means sale of foreign exchange in any form and includes not only remittances by T.Ts, M.Ts, drafts etc., but also sale of travellers cheques, travellers letters of credit, foreign currency notes and coins etc. Outward remittance can be made either by sale of foreign exchange or by credit to non-resident Rupee account of banks' overseas branches or correspondents. Authorized Dealers may sell foreign exchange for approved transactions only in accordance with the procedure outlined in this chapter. This chapter does not cover sale of foreign currency notes and coins which is dealt with in Chapter 11.

6. Mode of Remittances.

Authorized Dealers should normally avoid issuing drafts in cover of outward remittances whenever remittance can be made by T.Ts, or M.Ts, etc. Where, however, the normal means of transfer is likely to result in unnecessary hardship or inconvenience to the

remitter, drafts may be issued in the name of the beneficiaries of the remittance but such drafts should be crossed by the issuing bank as "Account Payee only".

7. Prescribed Application Forms.

(i) There are three types of application forms for outward remittances:

(a) Form 'I' is to cover remittance against imports (Appendix V-32)
(b) Form 'T-1' is to cover sale of exchange for travel (Appendix V-68)
(c) Form 'M' is to cover all other remittances (Appendix V-7)

(ii) Any person who wishes to purchase foreign exchange must lodge an application with an Authorized Dealer on the appropriate prescribed form duly supported by the requisite documents. On receipt, the application should be examined by the Authorized Dealer and if the Authorized Dealer is satisfied that the application is covered by the regulations and it is empowered to approve the remittance on behalf of the State Bank, it may effect the sale of foreign exchange. If the transaction requires prior approval of the State Bank, the application should be forwarded by the Authorized Dealer to the State Bank for consideration with comments under its stamp and signature.

8. Applications by Letters.

In some cases, applications are made by letters as it becomes difficult for the applicants to fully describe on the prescribed application form the purpose of purchase of foreign exchange particularly for travel abroad and for purposes other than import. In all such cases, letters should be accompanied by Form 'T-1' or 'M' as the case may be, duly filled in. If the remittance is permissible, the State Bank will return the form duly approved. In cases where remittance is required to be made in installments at periodical intervals, the State Bank may issue special permits authorizing remittances in the desired manner.

9. Applications to be submitted to the State Bank/SBP-Banking Services Corporation only through an Authorized Dealer.

All applications for foreign exchange should be forwarded to the State Bank/SBP-Banking Services Corporation through Authorized Dealers who should arrange their delivery to the State Bank/SBP-Banking Services Corporation through their own messengers or through post. All applicants who present their applications directly to the State Bank/SBP-Banking Services Corporation will be asked to resubmit them through an Authorized Dealer.

10. Forwarding Applications to the State Bank/SBP-Banking Services Corporation.

When submitting applications to the State Bank/SBP-Banking Services Corporation, Authorized Dealers should take all reasonable precautions to satisfy themselves as to the bonafides of the applicants. They should verify that the application form has been duly completed and signed by the applicant and then affix their stamp and signature thereon in token of their having examined the application and of having satisfied themselves that to the best of their knowledge and belief, the statements made in the form are correct and that full

documentary evidence as required has been submitted. In this connection, reference is also invited to para 6 of Chapter 1. The applicant should also be advised that under Section 22 of the Act, it is an offence to give any information or make any statement which he knows or has reasonable cause to believe to be false or not true in any material particular.

11. Processing of Approved Form etc.

After receipt of approved forms or permits etc., from the State Bank/SBP-Banking Services Corporation, Authorized Dealers should see that the forms etc., have been approved by the authorized officers of the State Bank/SBP-Banking Services Corporation and that they bear its embossing seal. Authorizations which are signed by officers whose specimen signatures are not available with the Authorized Dealer, should be presented to the nearest office of the SBP-Banking Services Corporation for authentication. It is also important that once a form has been approved by or on behalf of the State Bank, the Authorized Dealer should effect remittance only on behalf of the original applicant for whom the form has been approved and in favour of the beneficiary whose name appears in the approval. They must in no case accept instructions from third parties. In those cases where Authorized Dealers are empowered under the instructions laid down in this Manual to approve applications on behalf of the State Bank, they should ensure while approving the form that the applications are complete in all respects and that all the necessary documentary or other evidence as required has been submitted to and examined by them and that they have satisfied themselves as to the genuineness of the transaction.

12. Permits for Recurring Remittances.

(i) Permits (Appendix V-8) issued by the State Bank are of three types. In the first type of permits, the SBP-Banking Services Corporation authorizes remittances upto a stated amount within a stated period which an Authorized Dealer may make on behalf of the permit holder. Remittances under such permits may be made during the period of validity of the permit in amounts as required by the applicant provided that the total of such remittances under the permit does not exceed the overall limit laid down in the permit.

(ii) The second type of permits covers remittances on a periodical (monthly) basis but the periodical (monthly) limits are not cumulative and remittances in all during any one period (month) must not exceed the prescribed rate laid down in the permit. If remittances are not made upto the full extent of the limit in any period (month), it is not permissible to carry forward unutilised balance in order to make larger remittances in subsequent periods.

(iii) The third type of permits allows remittances on a periodical (monthly) basis but the periodical (monthly) amount is sanctioned on a cumulative basis so that unutilised amounts for earlier periods (months) can be remitted in subsequent periods (months). Unutilised amounts may, however, be accumulated only within the validity of the permit and the entire unutilised balance of such permits will lapse after the last day of the validity of the permit. In such cases it is not permissible to make remittances in advance of the entitlements of the subsequent periods (months).

(iv) Requests for utilization of lapsed quotas should be forwarded by Authorized Dealers to the SBP-Banking Services Corporation giving full reasons for non-utilization on due dates supported by suitable documentary evidence, wherever available.

13. Effecting Remittances against Permits.

In all cases where permits are issued by the SBP-Banking Services Corporation, it will be in order for the Authorized Dealers to effect remittances against the permits subject to report on form 'M'. Authorized Dealers must state on form 'M' the number of the permit against which the remittance has been made and also certify that the remittance has been endorsed on the permit. The remittance must be endorsed on the reverse of the permit giving the amount and date of remittance under their stamp and signature. When the permit is exhausted, it should be returned to the SBP-Banking Services Corporation by the Authorized Dealers alongwith the form 'M' on which the last remittance is reported. In all cases where the purpose for which the permit was granted ceases to exist and no further remittances are required or are permissible, the unutilised permit should be returned to the SBP-Banking Services Corporation with an advice that the permit should be cancelled.

14. Period of validity of approval by the State Bank.

All Authorizations given by the State Bank/SBP-Banking Services Corporation are valid for a period not exceeding 30 days from the date of approval unless they are expressly approved as valid for a specified longer period or unless they have been revalidated for a further period. Similarly, permits issued by the SBP-Banking Services Corporation are also valid for specified periods as stated on the permit. Authorized Dealers should not effect any remittance against approved forms, permits etc., which have been lapsed unless they have been duly revalidated.

15. Release of Foreign Exchange for Travel Abroad.

Foreign exchange is issued to the travellers against specific or general approval given by the State Bank. It may be drawn in any foreign currency equivalent to the sanctioned amount exclusively in the forms specified in paragraph 43 of Chapter 17. In cases where a traveller desires to draw foreign exchange partly in foreign currency instruments and partly in foreign currency notes, Authorized Dealers will prepare two separate 'T-1' forms. In the portion meant for their certificate, the Authorized Dealers will give on both the 'T-1' forms a suitable indication as to the amounts of foreign exchange released in foreign currency instruments and notes. The 'T-1' forms will be attached with Schedules E-3 annexed to Summary Statements S-1 and S-6. In the case of sale of foreign exchange partly in foreign currency instruments and partly in foreign currency notes against specific approval issued by the State Bank, a photocopy of the State Bank's sanction will also be made. Authorized Dealers will give a suitable indication to this effect, both on the original sanction as well as its photocopy which will be attached with the relative 'T-1' forms and surrendered to the State Bank/SBP-Banking Services Corporation alongwith the monthly returns of foreign exchange transactions.

16. Processing of Approvals given on one Authorized Dealer's Form by another Authorized Dealer.

There may be instances where a traveller or a remitter might approach an Authorized Dealer for issue/remittance of foreign exchange against approved form 'T-1' or 'M' bearing the identifying prefix and serial number of another Authorized Dealer. While releasing/remitting foreign exchange against such form 'T-1' or 'M', Authorized Dealers should insert their own identifying prefix and serial number borne on one of the blank 'T-1' or 'M' forms in their possession, and score out the prefix and serial number already appearing on approved form 'T-1' or 'M' under proper authentication. The Authorized Dealers should, however, destroy that blank form 'T-1' or 'M' whose serial number is so inserted by them.

17. Reporting of Remittances.

Authorized Dealers should submit to the SBP-Banking Services Corporation alongwith the appropriate returns as laid down in Chapter 22, forms 'M', 'T'-1 and 'I' as the case may be, in cover of each remittance effected by them. Where remittances are approved by the State Bank/SBP-Banking Services Corporation, the approved forms should be submitted in original. Where approval is given by the State Bank/SBP-Banking Services Corporation by letter or through issue of permit, particulars of the letter or of the permit should be given on the appropriate form before submitting it to the SBP-Banking Services Corporation with the returns.

18. Cancellation of Outward Remittances.

In the event of any outward remittance which has already been reported to the State Bank/SBP-Banking Services Corporation being subsequently cancelled, either in full or in part, Authorized Dealers must report the cancellation of the outward remittance as an inward remittance. The return in which the reversal of the transaction is reported should be supported by a letter giving the following particulars:

(a) The date of the return in which the outward remittance was reported.
(b) The name and address of the applicant.
(c) The amount of the sale as effected originally.
(d) The amount cancelled.
(e) Reasons for cancellation.

19. Cancellation of Inward Remittances.

In the event of any inward remittance which has already been reported to the State Bank/SBP-Banking Services Corporation, being subsequently cancelled either in full or in part, because of non-availability of the beneficiary, Authorized Dealers must report the cancellation of the inward remittance as an outward remittance on form 'M'. The return in which the reversal of the transaction is reported should be supported by a letter giving the following particulars:

(a) The date of the return in which the inward remittance was reported.
(b) The name and address of the beneficiary.
(c) The amount of the purchase as effected originally.
(d) The amount cancelled.
(e) Reasons for cancellation.

20. Utilization of Exchange for the purpose it is obtained.

Where any foreign exchange is acquired by any person other than an Authorized Dealer for any particular purpose or where any person has been permitted conditionally to acquire foreign exchange, the said person will not use the foreign exchange so acquired otherwise than for that purpose or fail to comply with the prescribed conditions. In cases where the foreign exchange so acquired cannot be used in full or in part for the purpose for which it was acquired or any of the conditions subject to which the foreign exchange was released cannot be complied with, the foreign exchange should immediately be surrendered to an Authorized Dealer.

CHAPTER 11

DEALINGS IN FOREIGN CURRENCY NOTES AND COINS ETC. BY THE AUTHORIZED DEALERS

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3. Purchase of foreign currency notes and coins etc. from other Authorized Dealers, Exchange Companies and Hotels.
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CHAPTER 11

DEALINGS IN FOREIGN CURRENCY NOTES AND COINS ETC. BY THE AUTHORIZED DEALERS

1. Introduction.

Authorized Dealer's license to deal in foreign exchange includes an authorization to deal in foreign currency notes and coins as well. In addition to Authorized Dealers, the State Bank has granted licenses to Exchange Companies and issued restricted authorizations to selected hotels to deal in foreign currency notes and coins etc. as per the scope of business mentioned in their licenses/authorizations.

This chapter sets out the regulations which govern the purchase and sale of foreign currency by the Authorized Dealers.

2. Purchase of foreign currency notes from the public.

All incoming persons, whether Pakistani or foreign national, can bring with them without any limit foreign currencies and other instruments against the submission of a declaration to the Customs authorities on amount exceeding US$ 10,000 or equivalent in terms of SBP Notification No. F.E.1/2012-SB dated the 16th June, 2012, wherever applicable. Such currencies/instruments may be freely purchased by the Authorized Dealers against payment in PKR. Authorized Dealers may also purchase foreign currencies withdrawn by the account holders from their foreign currency accounts and from the walk-in-customer against payment in PKR subject to fulfillment of applicable AML/CFT regulations/guidelines issued by the State Bank. Authorized Dealers should issue a certificate of currency encashment on the prescribed form (Appendix V-9).

In cases where the foreign currency offered for sale by a traveller had been originally obtained from an Authorized Dealer, the repurchase should be endorsed on the traveller's passport in the case of Pakistan nationals only.

3. Purchase of foreign currency notes and coins etc. from other Authorized Dealers, Exchange Companies and Hotels.

Authorized Dealers may also purchase foreign currency notes, coins and other instruments freely from other Authorized Dealers, Exchange Companies and hotels licensed/authorized by the State Bank.

4. Disposal of non-convertible currency notes.

Many countries have restrictions on import of their own currency notes and do not allow their repatriation through banking system. Surplus collection of such foreign currency notes can be disposed of in the international centres at market rates. Authorized Dealers should arrange with their overseas branches or correspondents to keep them fully informed of such restrictions on such currencies' import, repatriation and also about demonetization, currency re-organization etc. in foreign countries. Such information may also be passed on by the Authorized Dealers to those Exchange Companies/hotels which are their customers.

5. Availability of adequate stock of foreign currency notes with the Authorized Dealers.

It is the responsibility of Authorized Dealers to ensure that adequate stocks of foreign currency notes are available with their authorized branches at all times for meeting the requirements of their customers. For this purpose, Authorized Dealers may replenish their stocks of foreign currency notes either by purchasing the same from other Authorized Dealers/Exchange Companies or by importing them from their overseas branches and correspondents.

6 Ensuring quality of foreign currency notes.

In order to ensure provision of good quality notes to the public, Authorized Dealers should avoid stapling of foreign currency notes and deliver the same from their counters in unstapled condition with proper banding of note packets, if so required.

7. Sale of foreign currency notes to the public.

Authorized Dealers may sell foreign currency notes to persons proceeding abroad within the amount of foreign exchange allowed through special permission by the State Bank or under the authority delegated to them in Chapter 17 subject to compliance of the related provisions.

8. Sale of foreign currency notes and coins etc. to other Authorized Dealers.

Authorized Dealers may freely sell foreign currency notes, coins and other instruments to other Authorized Dealers.

9. Disposal of surplus foreign currency notes.

When Authorized Dealers are unable to dispose of their holdings of foreign currency notes by sale to the public or other Authorized Dealers, they may dispose of the same by receiving credit thereagainst in their Nostro accounts as per the following:

i) By exporting surplus foreign currency notes to their branches, correspondents or agents abroad.

ii) By selling surplus foreign currency notes to the Exchange Companies operating in Pakistan.

10. Acceptance of surplus foreign currency notes by SBP-Banking Services Corporation from the Authorized Dealers.

Authorized Dealers are also allowed to sell their surplus foreign currency notes (US Dollar, UK Pound Sterling, Euro and UAE Dirham) to SBP–Banking Services Corporation, Karachi Office as per the following procedure:

i. Authorized Dealers having above-mentioned surplus foreign currencies will approach the SBP-Banking Services Corporation, Karachi Office.

ii. Packets of foreign currency notes (100 pieces) only in the denomination of 50 and above will be acceptable.

iii. The packets will be opened and notes will be counted by the staff of SBP - Banking Services Corporation, Karachi Office in the presence of the representative of the concerned Authorized Dealer.

iv. Counted currency notes will be re-packed and sealed under the joint signatures of representatives of the concerned Authorized Dealer and official of SBP-Banking Services Corporation, Karachi Office.

v. The Authorized Dealer will remain responsible for any forged/counterfeit notes, if found subsequently in the deposited currency.

vi. SBP will provide credit of the counter value in the Nostro Account of the AD in the same value date, on confirmation of balances from SBP-Banking Services Corporation, Karachi Office.

11. Provision of foreign currency notes by SBP-Banking Services Corporation to the Authorized Dealers.

Authorized Dealers may purchase foreign currency notes from SBP-Banking Services Corporation, Karachi Office after giving credit of counter value in SBP's Nostro account in the respective currency. SBP-Banking Services Corporation, Karachi Office will provide foreign currency notes to the Authorized Dealer on having confirmation from the State Bank to the above effect.

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CHAPTER 12

EXPORTS

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27. Advance Remittances against Exports.

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29. Export on DA/TR basis- Non-payment by Foreign Buyers.

30. Verification of Export Proceeds Realization Certificate.

31. Issue of Duplicate Export Proceeds Realization Certificate.

32. Payment of Freight in Rupees.

33. Reporting of Overdue cases.

34. Export of Jewellery/Precious or Semi-precious Stones.

35. Remittance of Export Commission, Brokerage and Discount.

36. Export of Services.

37. Retention of a part of incremental export earnings.

38. Private Commodity Exchange Arrangement with Foreign Parties.

39. Internet Merchant Accounts.

CHAPTER 12

EXPORTS

1. General.

(i) The Government of Pakistan have, by their Notification Nos. I(6)-ECS/48 and I(7)ECS/48 both dated the 1st July, 1948 issued in pursuance of Section 12 of the Act, prohibited the export by post and otherwise than by post, of any goods either directly or indirectly, to any place outside Pakistan, unless a declaration is furnished by the exporter to the Collector of Customs or to such other person as the State Bank may specify in this behalf that foreign exchange representing the full export value of the goods has been or will be disposed of in a manner and within a period specified by the State Bank. This chapter deals with the regulations governing exports from Pakistan.

(ii) The Incoterms introduced by ICC for exports to provide a set of international rules to avoid uncertainty of different interpretation of the most commonly used trade terms in foreign trade may be adopted. [1]

2. Exports exempted from Foreign Exchange Regulations.

The prohibition mentioned above does not apply to exports to Afghanistan (to the extent mentioned in subsequent paragraph 13), exports to Iran by land route under special arrangement and to the export of:

i) Bonafide trade samples of articles exported as such by an exporter provided the FOB value of samples supplied free of charge does not exceed the limit notified by the Ministry of Commerce from time to time. Leather garment manufacturers are entitled to export 50 (fifty) samples in a calendar year irrespective of monetary ceiling.

ii) personal effects whether accompanied or unaccompanied of travellers,

iii) ship stores and transshipment cargo,

iv) goods shipped under the orders of the Government of Pakistan or of such officers as may be appointed by the Government of Pakistan in this behalf or of the Military, Naval or Air Force authorities in Pakistan for Military, Naval or Air Force requirements. In the case of export by post, a certificate signed by a Gazetted Officer or by any person entitled to use service postage stamps should be pasted on the outer cover of the parcel to the above effect,

v) gift parcels where they are accompanied by a declaration by the sender that the contents of the parcel are of a value not exceeding the ceiling notified by the Ministry of Commerce for gift parcels and that the dispatch of the parcel does not involve any transaction in foreign exchange, and

vi) where the packet is covered by a certificate issued by the State Bank to the effect that the export of the parcel does not involve any transaction in foreign exchange.

Customs authorities will not allow exports without declaration on the export forms except in the cases listed above.

[1] FE Circular No. 15 Dated August 15, 2003

3. Export Control Regulations.

Exchange policies regarding exports cover all goods exported from Pakistan irrespective of whether they are subject to license under the Export Trade Control Regulations or not. Similarly, nothing in the Exchange policies relieves the exporters from the necessity of complying with the Export Trade Control Regulations as laid down by the Government from time to time, including the necessity of obtaining an export license wherever necessary. The Government of Pakistan has under the Export Trade Control Regulations banned exports to Israel.

4. Registration of Exporters not required.

In terms of S.R.O. No. 490(1)/2002 dated 5th August, 2002 the Ministry of Commerce, Government of Pakistan has rescinded the Registration (Importers and Exporters) Order 1993. As such exporters are no more required to get them registered with the Trade Development Authority of Pakistan (TDAP). With the elimination of registration number, Authorized Dealers may use GIR No. (NTN) and CNIC Nos. which are already present on Form 'E' as distinctive number for administrative purpose. In case, an exporter is not a tax payer, there is already a provision on Form 'E' for Income Tax Circle No. which may be used in combination with CNIC Nos. as distinctive number for administrative purpose. [2]

5. Forms prescribed for declaring Exports.

As required under the Federal Government Notification Nos. I (6)-ECS/48 and I(7)ECS/48 both dated the 1st July, 1948 the exporters are required to declare their exports to the Customs/Postal authorities in form 'E' (Appendix V-10). Form 'E' must be certified by the Authorized Dealer in a convertible foreign currency.

6. Method and period of Payment.

(i) Full export value of goods exported from Pakistan and declared to the Custom authorities should be received in an approved manner, as embodied in State Bank's Notification No. F.E. 3/2001-SB dated the 28th September, 2001 on the due date for payment or within six months from the date of shipment/posting, whichever is earlier, or within a period as may be prescribed by the State Bank through specific or general instruction, through an Authorized Dealer either in convertible foreign currency in which the Authorized Dealer maintains accounts or in U.S. Dollar or in Pakistan rupee from a non-resident bank account. However, where the terms of sale/irrevocable letter of credit provide for payment on 180 days' usance/270 days' usance in the case of Hand Knotted Carpets, from the date of shipment/posting, it shall be permissible for the exporter to repatriate the export proceeds within 195/285 days from the date of shipment/posting. Similarly, in the case of exports to South American countries, Authorized Dealers may certify Form 'E' if the letter of credit provides for payment on 270 days sight/usance from the date of shipment and the export proceeds may be repatriated within 285 days from the date of shipment. Prior approval of the State Bank should be obtained before arranging for payment in any manner other than that indicated above.

(ii) Where the terms of sale provide for payment earlier than six months, Authorized Dealers may allow extension in the realization period if they are satisfied with the explanation given for delay in realization, provided such extension does not extend the period beyond six months from the date of shipment.

[2] FE Circular No. 11 Dated September 06, 2002

7. Retention period of Export Proceeds.

It is permissible for exporters to retain the export proceeds including 'Advance Payments' in foreign currency with an Authorized Dealer in Pakistan for three working days and to sell the same within this period to any Authorized Dealer. The foreign currency so retained shall be kept by the Authorized Dealers in 'Special Exporters' Account' outside their 'Exposure' limits. However, if an exporter does not conclude a transaction with an Authorized Dealer by end of the third working day, the Authorized Dealer that has received the export proceeds shall purchase the same at the 'buying' rate of weighted average customer exchange rate of that day as available on SBP website under advice to the concerned exporter.

8. Certification of Export Forms by Authorized Dealers.

i) Before the export forms are lodged by the exporters with the Customs/Postal authorities, all the copies thereof are required to be certified as under by the Authorized Dealers:-

a) Certified that the above exporter(s) is/are known to us, that he/they is/are bonafide businessman/businessmen in Pakistan and that he/they has/have made arrangements with us for the realization of the export proceeds, of the goods declared on this form on the due date for payment or within six months from the date of shipment/posting, whichever is earlier, in accordance with the State Bank's Notification No. FE 3/2001-SB dated the 28th September, 2001 and that we are satisfied with said arrangements. We have also satisfied ourselves about the bonafides of the importers/consignees abroad and their credentials etc.

b) We undertake to ensure that export proceeds against shipment on firm contract shall be received by us on the due date for payment or within six months from the date of shipment/posting, whichever is earlier, in accordance with the State Bank's Notification No. FE 3/2001-SB dated the 28th September, 2001. In the event of non-compliance due to reasons beyond our control we shall furnish to the State Bank of Pakistan a full explanation as to the reasons and circumstances resulting in our inability to comply.

c) We undertake that in the event of non-realization of export proceeds against shipment on consignment sale within the stipulated period of six months, we shall obtain from the exporter(s) and furnish to the State Bank of Pakistan a full explanation as to the circumstances resulting in non-realization. We further undertake that in the event of short realization, we shall obtain from the exporter(s) and furnish to the State Bank of Pakistan a fully documented account sale certified by the consignees/Chamber of Commerce of the country of import.

ii) Authorized Dealers shall not certify any export form unless they have satisfied themselves with regard to the following:

(a) Arrangements have been made for realization of export proceeds of the goods covered by the relative export forms.

(b) Bonafides of the importers/consignees abroad and their credentials have been verified. Wherever necessary they should make discreet enquiries through their foreign correspondents. In case of shipments against T.R. (Trust Receipts) or D.A. (Documents against Acceptance) greater care should be exercised by the Authorized Dealers in certifying the relative export forms. Where Authorized Dealers doubt the bonafides or standing of the importers/consignees or where they suspect collusion with the intent to evade or delay repatriation of full export

proceeds, they should report such cases promptly to the Foreign Exchange Operations Department, SBP-Banking Services Corporation.

(c) Arrangements have been made for receipt of documents of title to goods like Railway Receipt, Bill of Lading, Airway Bill and Truck Receipt.

(d) Genuineness of the charter party where shipment is to be made against a charter party Bill of Lading has been verified. Discreet enquiries should be made about the carrier and the importers as indicated in sub-paragraph (b) above to safeguard against any loss of cargo or foreign exchange in such cases.

(e) The export form has been signed by the exporter or his authorized agent. The signatory should disclose his status/capacity in the concerned firm/company etc., i.e. Director/Partner/ Proprietor/Manager etc. In case the form is signed by the agent of the exporter, it should be ensured by the Authorized Dealers that he holds a valid legal power of attorney from the exporter and the terms of the power of attorney are such that the exporter as well as the attorney can be held responsible severally and jointly for the repatriation of the export proceeds to Pakistan.

(f) Letter of credit for export to Asian Clearing Union member country has been received under the ACU Arrangement, unless the export is covered by a loan/credit extended to the importing country by International Agencies like IBRD/Asian Development Bank etc., in which case letters of credit will be established envisaging payment in convertible currencies outside the Asian Clearing Union Arrangement.

(g) In the case of re-export of imported goods, the conditions laid down by the Ministry of Commerce through the existing export policy have been complied with.

9. Export by Country Craft, Motor Launch or Truck.

Authorized Dealers can also advise letters of credit or confirm arrangements and certify export forms for exports by means of country-craft or motor-launch or truck subject to normal procedure followed in case of exports.

10. (i) Printing and Distribution of Export Forms.

Head/Principal Offices of Authorized Dealers are required to maintain a complete record of all export forms printed by them and of their distribution to their branches and customers. For this purpose, they should maintain a Stock Register which should show branch-wise distribution of the export forms. It is the responsibility of the Head/Principal Offices to keep their branches adequately stocked with the export forms.

(ii) Maintenance of Party-wise Record of Certified Export Forms.

Authorized Dealers should maintain another register for recording therein the particulars of export forms issued and certified by them in respect of each exporter. In this register they should record against each form the date of submission of the export documents in cases where shipments have been made, or of the surrender of complete set of export forms in cases where goods have not at all been entered for shipment or of submission of complete "shut-out notice" in cases where the goods have been entered for shipment but have been shut-out. Against each export form, the Authorized Dealers should

also indicate the date of realization of the export proceeds wherever the documents are negotiated or collected through them. In cases where none of the above documents are received by them within the period of 21 days from the date of certification on the relative export forms, the Authorized Dealers should immediately get in touch with the exporter concerned to ascertain whether or not the shipment has been effected. If the Authorized Dealer is satisfied that the exporter has not yet been able to ship the goods against the certified export form, it should make a suitable notation against the entry in the register of the relevant certified export form and follow it up till the documents referred to above are submitted to it. All other cases where the exporters do not respond to the notices of the Authorized Dealers should be reported to the Foreign Exchange Operations Department, SBP-Banking Services Corporation on monthly basis in the prescribed form (Appendix V-11).

11. Making out and Delivery of Shipping Documents.

In exercise of the powers vested in it under Section 20(3) of the Act, all carriers whether common or private (railway, steamship, motor trucking or airline companies) and their agents have been directed by the State Bank as under:

(i) (a) In respect of export of goods from Pakistan to foreign countries by land route or by sea, the Railway Receipts, Bills of Lading, Truck Receipts or any other documents of title to cargo should be drawn only to the order of an Authorized Dealer designated for the purpose by the exporter. This restriction will not apply if the exporter produces a certificate to the carrier from the Authorized Dealer concerned in the prescribed form (Appendix V-12). The certificate will be issued by the Authorized Dealer only if the shipment is being made against an advance payment or against an irrevocable Letter of Credit which calls for drawing of documents of title to cargo to the order of the opening bank, or the importer, or the exporter or to order and blank endorsed. In all cases the railway receipt, bill of lading and other documents of title to cargo should be delivered by the carriers to the authorized representative of the Authorized Dealer concerned holding authority letter for collecting these documents.

(b) A Seaway bill may be accepted by the Authorized Dealers if the export is being made against receipt of advance payment or against an irrevocable letter of credit opened/confirmed by a reputable bank abroad, envisaging payment on the basis of seaway bill.

(ii) In respect of export of goods to foreign countries by air, the airway bills and any other documents of title to cargo should be drawn to the order of a bank in the country of import nominated by the Authorized Dealer designated for this purpose by the exporter. However, in the case of export of goods against advance payment or against irrevocable letter of credit which contains a condition that the airway bill and other documents should be drawn to the order of the importer abroad, the airway bill and other documents of title to cargo may be drawn to the order of the importer abroad, provided the exporter produces to the carriers a certificate to this effect from the Authorized Dealer concerned in the prescribed form (Appendix V-12). In all cases the airway bill and other documents of title to cargo will be delivered by the carriers to the authorized representative of the Authorized Dealer concerned holding authority letter for collecting these documents.

In addition to the above, it shall also be permissible for Authorized Dealers to release the export documents etc. to the concerned exporter for dispatch directly to the foreign buyer in such cases where

advance payment in full (100%) has been realized from the consignee abroad against the export of goods from Pakistan.[3]

(iii) The directions contained in sub-paragraphs (i) and (ii) do not apply to the following cases:

(a) Bonafide trade samples provided the F.O.B. value of each consignment supplied free of charge does not exceed the limit prescribed by the Ministry of Commerce.

(b) Personal effects, whether accompanied or unaccompanied, of travellers.

(c) Ship stores and transshipment cargo.

(d) Goods shipped under the orders of Federal Government or of such officers as may be appointed by the Federal Government in this behalf or by Military, Naval or Air Force authorities in Pakistan for Military, Naval or Air Force requirements.

(e) Exports covered by exemption certificates issued by the State Bank.

(f) Exports of fresh fish, vegetables, fruits, poultry and other goods of perishable nature.

(iv) In case where irrevocable Letter of Credit contains a condition that documents shall accompany a certificate from the beneficiary stating that one original (1/3rd or 2/3rd) Bill of Lading or Airway bill has been dispatched to the buyer/consignee, Authorized Dealers may allow dispatch of original 1/3rd or 2/3rd Bill of Lading or Airway Bill to the party named in the letter of credit only after the documents have been presented for negotiation under the letter of credit.

11A. Making and Dispatch of Shipping Documents by the Exporters[4]

As an exception to the instructions contained in Para 11, Authorized Dealers (ADs) may allow making of shipping documents in the name of the foreign importers and dispatch of the same by the exporters to the foreign consignees or their agents in the country of final destination by issuing a certificate as per Appendix V-12A to the carriers (ships, airlines, trucks, railways etc.) subject to the following terms and conditions:

i. The value of export consignment must not exceed USD 100,000 or equivalent in other currencies.

ii. The export overdues of an exporter should not be more than 5% of the previous year's exports.

iii. [5]The total outstanding/unrealized exports allowed by the AD through this facility shall not exceed 50% exports of the preceding year.

iv. This facility shall be extended only to those exporters who have minimum export realization of USD 250,000 or equivalent during the last three years. To this end, the AD

[3] FE Circular No. 09 Dated July 01, 2004

[4] FE Circular No. 11 Dated Dec 11, 2017

[5] EPD Circular Letter No. 09 dated June 14, 2018

may accept certificates of other ADs showing export performance of the exporter through them.

v. The AD shall obtain an undertaking from the exporter that export proceeds against such exports will be realized as per the prescribed time period. Further, the AD, at its discretion, may obtain the personal guarantees of the Directors/Sponsors of the firm/company to ensure realization of export proceeds against such shipments.

vi. Before certification of Form-E/EFE, the AD shall obtain a valid contract/proforma invoice and satisfy itself about the bonafides of the importers/consignees abroad. Further, the AD shall also obtain copies of shipping documents (electronically or manually) within 5 working days of the shipment.

vii. The AD shall monitor the shipment(s) made by the exporter and ensure realization of export proceeds thereagainst within the prescribed time. In case of non-realization within the prescribed period, the matter shall be reported to the Foreign Exchange Operations Department, SBP-Banking Services Corporation as per applicable instructions.

viii. In case of unsatisfactory behavior of the exporter or export overdues exceeding the prescribed limit, as mentioned at (ii) above, the AD shall discontinue extending the above facility to the exporter.

12. Export of Software.

i) The following procedure will be adopted for the export of computer software and realization of the proceeds of such exports:

a) [6]Authorized Dealers shall handle the export of software related transactions themselves. In this respect, , the Authorized Dealers are responsible to conduct customer due diligence, maintain customers' profile, monitor remittances and authenticate source of funds/modes of transactions etc. in line with AML/CFT regulations and other applicable rules and regulations.

b) Authorized Dealers shall, interalia, obtain the following documents while processing the remittances of software export:

aa) Copy of software export agreement(s) or invoice(s), as the case may be.

bb) Monthly statement of export of software on the prescribed format at Appendix V-13.

c) Authorized Dealers shall maintain the consolidated data and record of all such transactions at their head offices and produce to SBP inspection team during the course of inspection.

d) Authorized Dealers shall ensure proper reporting of computer and information services under the specified purpose codes in their monthly foreign exchange returns to the State Bank.

ii) Further, it is permissible for exporters of software to retain amounts upto 35% of their export earnings in Special Exporters Foreign Currency accounts opened with the Authorized Dealers exclusively for

[6] FE Circular No. 02 Dated Mar 14, 2018

payment of commission/discount to the overseas agents/buyers and to use the same to meet other expenses such as promotional publicity, import of Hardware/Software, foreign consultant's fee etc.

13. Exports to Afghanistan.

(i) In respect of export to Afghanistan, the SRO 805(1)/2015 dated the 17th August, 2015 issued by Ministry of Commerce stipulates that subject to provisions of sub-paragraph (1) of paragraph-4 of the Export Policy Order, 2013, export of the following perishable goods shall only be allowed against Pak currency on filing of regular shipping bills without the requirement of "E-Form", namely:-

(a) fruits;
(b) vegetables;
(c) dairy products; and
(d) meat.

Export of the above items shall not be entitled to:-

a) Zero rating of sales tax;
b) Rebate of Central excise duty; and
c) Payment of drawback of customs duty.

The reporting procedure will be the same as is being adopted for other countries except that the column "Serial No. of 'E' Form" on Export Schedule A-1/O-1 (covering realized export receipts of Pakistan) would be left blank.

(ii) However, in case convertible currency is involved for export to Afghanistan, the requirement of Form 'E' will be applicable as per normal procedure as is applicable for exports to other countries.

(iii) As per FE Regulations, the export made against convertible currencies is subject to Form 'E' certification by the Authorized Dealers. Accordingly, the export proceeds received as per sales terms are required to be surrendered in the inter-bank market for which the concerned Authorized Dealer will issue Proceeds Realization Certificate (PRC) at the prevailing buying exchange rate and credit the equivalent rupees in the PKR account of the concerned exporter.

(iv) In view of peculiar nature of trade with Afghanistan, the Authorized Dealers will accept cash convertible currencies brought over their counter by the exporters and convert the same at the prevailing buying rate applicable for normal export proceeds for credit to the PKR account of the exporter.

Further, cash (foreign currency notes) received in the bank against export to Afghanistan is required to be reported under Summary Statement S-6 (An Abstract of Authorized Dealer's Ledger Account which consists of transaction in foreign currency notes). As there is no export schedule available under S-6, a new row with the words "Cash Exports (Schedule A-2)" will be added in S-6 which will refer to Schedule A-2. The schedules are available as Appendix V-106 and Appendix V-108. The same will remain effective till establishment of a banking system in Afghanistan.

Further, the banks will ensure that the said proceeds are backed by proper export documents as per prescribed procedure and terms and conditions issued from time to time.

14. Scheme for Warehousing in Kenya – Facilitation to the Exporters [7]

In order to encourage exports to Kenya through TDAP's Warehousing Scheme in Kenya, the exporters utilizing the said scheme are facilitated as under: -

i) Exporters are allowed enhancement in period for repatriation of export proceeds from existing 180 days to 270 days.
ii) It is permissible for the exporters to reduce prices on the unsold stock. General permission is granted up to a discount of 15%, if the goods are not sold. Beyond this limit, SBP's approval is required on a case-to-case basis.
iii) Present retention percentage of 10% of FOB value of goods realized in terms of para 35 (iii) ibid, is enhanced to 25% in case of export through the Warehousing Scheme.

15. Endorsement of Shipping Documents by Authorized Dealers.

The Authorized Dealers to whose order the relative railway receipts, bills of lading etc., are drawn shall endorse the same to the order of their foreign correspondent but in no case shall they make any blank endorsement thereon or endorse them to the order of the consignor unless they have obtained specific or general approval of the State Bank. However, in the case of exports through third country intermediary i.e. under merchanting arrangements, it will be in order for Authorized Dealers to make blank endorsement where advance payment has been received or where documents are negotiated under letters of credit which call for such blank endorsement.

15A. Issuance of Electronic Form-E through WeBOC.[8]

At present, majority of goods exported from Pakistan are handled through WeBOC. However, a small percentage of goods such as those exported through land route or categorized as bulk cargo are currently being exported through Pakistan Customs' previous goods clearance system called 'One Customs'. Efforts are underway by Pakistan Customs to extend WeBOC system to export of such goods as well, in a phased manner throughout Pakistan. Form-E with effect from November 02, 2015, is being issued in following two formats:

a) Electronic Form-E (EFE)

For exports taking place through WeBOC, EFE will be issued through WeBOC. The request for EFE will be submitted electronically by the exporter in WeBOC and Authorized Dealer will approve or reject EFE electronically in WeBOC. User Manuals for issuance of EFE through WeBOC for exporters and Authorized Dealers are attached as *Annexure-I* (http://www.sbp.org.pk/epd/2015/FEC10-Annex1.pdf) & *Annexure-II* (http://www.sbp.org.pk/epd/2015/FEC10-Annex2.pdf) respectively.

b) Manual Form-E

For exports taking place through One Customs, manual Form-E will be issued by Authorized Dealers at the request of exporters as per instructions contained in the following paragraphs.

i. Forms Prescribed for Declaring Exports

[7] FE Circular No. 16 Dated December 27, 2005
[8] FE Circular No. 10 Dated October 26, 2015.

As per Federal Government Notifications No. I(6)-ECS/48 and I(7)ECS/48 both dated the 1st July, 1948, exporters are required to declare their exports to Customs/Postal authorities on Form-E. In case of exports through WeBOC, electronic Form-E has also been prescribed by the State Bank, which will be generated through WeBOC. For exports other than WeBOC, manual Form-E will continue to be issued by Authorized Dealers at the request of the exporters as per instructions contained in the following paragraphs.

ii. Registration of the Exporters in WeBOC

Registration and deletion of the exporters in WeBOC shall be carried out by Pakistan Customs as per their procedure.

iii. Exporter's Due Diligence by Authorized Dealers

Authorized Dealers shall continue to perform Customer Due Diligence (CDD)/Know Your Customer (KYC) of the exporters, being their account holders/customers, as per applicable instructions. The Managers/Proprietor/ Partners/Directors etc. of the concerned company/firm etc. (exporter) submitting EFE request, will be held responsible severally and jointly for repatriation of export proceeds into Pakistan.

iv. Addition and Deletion of Authorized Dealers and their Branches in WeBOC

a) Authorized Dealers shall request for addition or deletion of their authorized branches in WeBOC through their respective Group/Business Heads to the Director, Foreign Exchange Operations Department (FEOD), State Bank of Pakistan, Banking Services Corporation (SBP-BSC), Head Office, Karachi.

b) If a new bank is issued license of Authorized Dealer by Exchange Policy Department, SBP, it may also request for its addition in WeBOC and its authorized branches by submitting request through bank's Group/Business Head to the Director, FEOD, SBP-BSC, Head Office, Karachi.

v. User IDs and Passwords for Authorized Dealers in WeBOC

a) Authorized Dealers shall submit request for issuance of User ID and Password by providing required information as per ***Annexure-III*** (http://www.sbp.org.pk/epd/2015/FEC10-Annex3.pdf) to the Director, FEOD, SBP-BSC, Head Office, Karachi, who will forward the same to Pakistan Customs. User ID and Password will be issued and provided to Authorized Dealers directly by Pakistan Customs under intimation to FEOD.

b) For cancellation of User ID and Password, Authorized Dealers shall submit cancellation request signed by their respective Group/Business Heads to the Director, FEOD, SBP-BSC, Head Office, Karachi, who will forward the same to Pakistan Customs for necessary action.

c) All concerned employees and Authorized Dealers shall maintain confidentiality of WeBOC User IDs and Passwords. They shall be responsible for any un-authorized use of their User IDs as per provisions of Chapter XVI-A of the Customs Act, 1969 and rules made thereunder. Further, for all foreign exchange related purposes, all functions performed in WeBOC through User ID of an Authorized Dealer will be construed to have been performed by the Authorized Dealer itself.

vi. Issuance of Electronic Form-E

a) The exporter will submit Form-E request electronically through WeBOC to an Authorized Dealer at a branch of its choice. The Authorized Dealer/branch, as chosen by the exporter, will electronically approve or reject Form-E request as per instructions contained in Para 8, Chapter XII of FE Manual. After electronic approval of Form-E by the Authorized Dealer, the exporter will attach EFE in WeBOC with Goods Declaration (GD) Form to carry out export of goods for which Form-E has been approved. The detailed procedure to be followed for issuance of EFE and its attachment with GD Form is explained in attached User Manuals for Exporters (*Annexure-I*) and Authorized Dealers (*Annexure-II*).

b) The serial number of EFE for each Authorized Dealer will be generated by WeBOC. Typical format of EFE number will comprise of three components i.e. alpha acronym of Authorized Dealer, calendar year of issuance and system generated serial number. For example, first EFE number for XYZ bank issued in year 2015 will be XYZ-2015-0000000001. At the beginning of each calendar year, serial number for each bank will reset to 0000000001.

vii. Amendment in Electronic Form-E

a) The exporter can amend EFE before it is approved or rejected by the Authorized Dealer. Once Authorized Dealer has approved or rejected Form-E, it cannot be amended by the exporter.

b) Authorized Dealer cannot amend EFE at any stage.

viii. Cancellation of Electronic Form-E

a) Authorized Dealer can cancel EFE after it is submitted by the exporter.

b) Authorized Dealer can also cancel approved EFE before it is attached to GD Form by the exporter.

ix. Expiry of Electronic Form-E

a) If no action is taken by Authorized Dealer on EFE request submitted by the exporter within 15 days, it will automatically expire in WeBOC.

b) If shipment is not effected by the exporter within 45 days from date of approval of EFE by Authorized Dealer, it will automatically expire in WeBOC.

x. Maintenance of Record of approved Electronic Form-E

a) Complete record of EFE approved by Authorized Dealer through WeBOC shall be kept by respective branches and Head/Principal Office of Authorized Dealers in electronic form. This should be done preferably on weekly basis through acquisition and updation of data from WeBOC.

b) Authorized Dealer can also take print-out of EFE from WeBOC. Format of printed EFE is attached as *Annexure-IV* (http://www.sbp.org.pk/epd/2015/FEC10-Annex4.pdf).

xi. Submission of Export Documents to Authorized Dealers

a) Authorized Dealer shall fill in relevant sections of Bank Credit Advice (BCA) for each EFE in WeBOC, including date of lodgment of shipping documents with Authorized Dealer, acceptance received from importer's bank and realization of export proceeds wherever documents are negotiated or collected through them.

b) In cases where shipping documents are not received by Authorized Dealer within 14 days from the date of shipment, Authorized Dealer shall immediately ensure that shipping documents are submitted to it by the exporter. Where an Authorized Dealer fails to obtain shipping documents from the exporters within 30 days of shipment, it shall report such cases to area office of FEOD, SBP-BSC, Head Office, Karachi on monthly basis latest by 15th of each month in the prescribed form (Appendix V-11).

xii. Bank to Bank BCA Transfer

a) If payment is being received through an Authorized Dealer other than the one which has approved EFE, the Authorized Dealer which has approved EFE may transfer it to the Authorized Dealer negotiating or collecting export documents through Bank to Bank BCA transfer module in WeBOC.

b) Proper record of EFEs which are transferred as per (a) above shall be maintained by both the Authorized Dealers.

c) If found necessary, the Director, FEOD, SBP-BSC, Karachi may also transfer EFE from one Authorized Dealer to another Authorized Dealer through Bank to Bank BCA transfer module in WeBOC.

xiii. Realization against Electronic Form-E

Authorized Dealer will record proceeds realization against each EFE through BCA module in WeBOC. In case of remittance received in advance for goods to be exported from Pakistan, the same may initially be recorded in remarks column of EFE while approving it and after shipment, advance payment details shall be filled in BCA module in WeBOC for each EFE.

xiv. Submission of Returns

Authorized Dealer shall send a printed copy of EFE to respective area office of FEOD, SBP-BSC, Head Office, Karachi along with monthly returns in which realization of export proceeds is reported. In case of Advance Payment, copy of EFE will be submitted with Advance Payment Voucher (APV) and shipping documents as per existing instructions.

xv. Short Shipment

In cases where the exporter ships a quantity less than that declared on EFE, Authorized Dealer shall negotiate/collect the shipping documents on the basis of value declared in GD Form after verification from WeBOC.

xvi. Shipments Shut-out Entirely

a) In case where a shipment to be made by a particular vessel is temporarily shut-out and reshipped by another vessel, approved EFE shall remain valid.

b) In case where a shipment is entirely shut-out and is not being reshipped by another vessel, approved EFE will be detached by the Customs from the GD Form and can be reused within original validity period.

16. Functional Utility of the Copies of Manual Form 'E'.

All exports from Pakistan which are subject to Foreign Exchange regulations are required to be declared on Form 'E' which is in sets of four copies each. The exporter should submit the full set of Form 'E' to the Authorized Dealer for certification as described in paragraph 8 (i) ibid only after it has been completed and signed by the exporter himself or his authorized agent. While certifying Form 'E', Authorized Dealers should ensure that exporters give only one address in Form 'E'. After the form is certified by the Authorized Dealer, it should be submitted to the Customs/Postal authorities at the time of shipment alongwith the shipping bill. The Customs authorities will detach the original copy and after filling in the portion relating to them and affixing their seal and signature thereon forward it to the SBP-Banking Services Corporation. The Customs authorities will return the duplicate, triplicate and quadruplicate copies to the exporter or his authorized agent who will retain the quadruplicate for his own record and submit the duplicate and triplicate copies to the Authorized Dealer alongwith the shipping documents within 14 days from the date of shipment. The Authorized Dealer will forward the triplicate copies of the export forms to the SBP-Banking Services Corporation alongwith the monthly returns in which realization of export proceeds is reported, retaining the duplicate for his record. In cases where receipts of export proceeds are reported by an Authorized Dealer in respect of exporters residing in the jurisdiction of an area office of Foreign Exchange Operations Department other than that to which the returns are being submitted, separate area-wise schedules A-1/A-2 with one additional copy will be prepared and submitted to the Foreign Exchange Operations Department. The name of the area office of Foreign Exchange Operations Department to which the schedules pertain will be prominently indicated on top thereof.

17. Exports exempted From 'E' form procedure. [9]

i) Export of educational course books for schools and colleges for Pakistani students and other running under respective Embassies abroad and literary, religious, educational and general books are exempt from 'E' form procedure, subject to the condition that the value of the individual shipment/export in respect of books other than educational course books does not exceed US$ 10,000. Before undertaking such transactions, the exporters of above mentioned books would approach the Director, Foreign Exchange Operations Department, SBP-Banking Services Corporation who will issue a No Objection Certificate (NOC) with the condition that exporter will obtain an endorsement from the Customs Authorities on reverse of the NOC about name/title, number of books exported and their invoice value. The date of export would also be mentioned specifically. The exporter will submit a statement on monthly basis to Foreign Exchange Operations Department, showing the amount due and receipts on account of foreign exchange arising therefrom.

The NOC issued in view of above exemption would be initially valid for a period of one year only which may be renewed subject to satisfactory performance of the exporter. However, if exporter fails to submit the required statement or keeps large balances abroad, the facility will not be renewed and the case would be referred to the Enforcement Section of Foreign Exchange Operations Department, for necessary action under the relevant regulations.

[9] FE Circular No. 12 Dated June 16, 2003

ii) While issuing NOC, Foreign Exchange Operations Department will advise the Customs Authorities about the items exempted from 'E' form procedure.

iii) The export of above-mentioned items being exempted from E-form procedure will be reported on schedule A-1/O-1 with authentication of exempted 'E-form'. The specified code for the same whichever is applicable, mentioned under Section X, Chapter 49 of HS Classification of coding system may be used.

18. Electronic Transmission of Export Information- Handling of Manual Form-E. [10]

Pakistan Customs has introduced, initially from Karachi International Container Terminal (KICT), a web based Goods Declaration Form (GDF) in place of the existing Form-E. For the present, GDF and Form-E will run in parallel.

The following system/procedure will be followed in dealing with Form-E and GDF for exports to be made through KICT, Karachi:

The Authorized Dealers will certify Form-E in quadruplicate as usual. The exporter shall declare the Form-E number to Customs on the electronic shipping bill filled over the web for export of goods. Customs will verify the goods as declared in the shipping bill containing the Form-E number and will allow shipment for export. After the export of goods, the exporter shall print the electronically transmitted copy of the shipping bill (GDF) containing the number of the relevant Form-E and present it to the Authorized Dealer as a proof of export substituting Form-E verification by Customs. The bank will compare the GDF and Form-E and take up/sort out the difference, if any, with the exporter/Customs. Form-E and GDF will be submitted to the SBP-Banking Services Corporation by the Authorized Dealer. In case of ports where GDF is not being operational for the present, the existing procedure for handling Form-E will continue. Similarly, cases of Short Shipment and Shipments Shut-out entirely will be dealt and reported as usual. The head office of the Authorized Dealer/concerned branch may obtain user ID to log onto Pakistan Customs Computerized System (PACCS) and retrieve/verify the details of all exports.

Accordingly, as far as export transactions being routed through KICT, Karachi are concerned, certification/ verification and affixation of seal by Customs authorities and returning of duplicate, triplicate and quadruplicate copies of Form-E to the exporter would not be required and the relevant paras of Chapter 12 of FE Manual to this extent may be treated as amended. In its place the copy of GDF obtained/retrieved through Customs Website (PACCS) should be treated as proof of Custom's verification of exports. Other instructions on the subject will, however, remain unchanged and all the provisions of FE Manual will have to be complied with in respect of exports other than through KICT.

19. Submission of Export Documents to Authorized Dealers.

All shipping documents covering goods exported from Pakistan and declared on Form 'E' must be passed through the medium of an Authorized Dealer within 14 days from the date of shipment. The exporter must submit the duplicate (bearing Customs seal and signature of Customs Officials with Code number) and triplicate copies of Form 'E' alongwith the shipping documents, invoices etc., to the Authorized Dealer who had certified the Form 'E'. An extra copy of the shipper's invoice must be attached to the triplicate copy of the Form 'E'. In the event of payment being received through an Authorized Dealer other than the one who had certified the export form, the Authorized Dealer negotiating or collecting the export documents should convey the particulars of the export form to the Authorized

[10] FE Circular No. 2 Dated March 21, 2005

Dealer which had originally certified the export form to enable the latter to make a suitable note in the relative register.

20. Scrutiny of Documents.

On receipt of the bill of lading/airway bill/railway receipt etc., alongwith the Form 'E' and the export documents, the Authorized Dealers should compare the bills and/or documents with the relative export form and satisfy themselves that they conform in all respects to the declarations made on the relative export forms and the amount of the bills and invoices is not less than the value declared on them. In the case of those commodities which are subject to Export Price Check (EPC) procedure, the invoice should also be compared with the EPC form approved/registered by the relevant authority, to ensure that the quantity, quality, value, destination and terms of sale/payment shown therein agree with those declared on the EPC form, and the quantity and value should be endorsed on the reverse of the EPC form. All such cases where the Authorized Dealers consider that the value declared to the Customs and accepted by them does not represent the true value of the goods should be promptly reported to the SBP-Banking Services Corporation. The Authorized Dealers may, however, accept bills/documents for negotiation/collection if the difference between the value stated on the relative export form and the amount of the bill/invoice represents legitimate adjustments on account of short weight or actual freight and other items of similar nature. Details of such adjustments must be given on the relative export forms and must be authenticated by the Authorized Dealers under their stamp and signature.

21. Exports subject to receipt of Advance Payments or Irrevocable Letters of Credit.

In the case of commodities export of which is permissible only on receipt of advance payment or irrevocable letter of credit, shipments will be allowed by the Customs only on the basis of the certificate of the Authorized Dealer on the export forms to the effect that either advance payment or irrevocable letter of credit has been received covering export of the goods mentioned on the export form.

22. Special Requirements for Export of Wool and other Commodities subject to Grading Scheme.

(i) Under the Wool Grading Scheme of the Government of Pakistan every exporter of wool is required to obtain a test report from the Government Test House for all shipments of wool intended for export whether on firm contract or on account basis. In all such cases the exporter of wool is required to forward to the SBP-Banking Services Corporation through an Authorized Dealer a copy of the test report of the Wool Test House duly initialed by the Customs alongwith the invoice and triplicate copy of the relative export form. In the case of firm sales, the exporters should also mention in the invoice:

(a) the quality of wool,

(b) the rate per pound and

(c) yield basis on which the sale has been made.

Sale of wool on consignment basis is required to be made only by public auction through recognized Auction Houses abroad. Account Sale from these recognized Auction Houses should be forwarded to the SBP-Banking Services Corporation alongwith the relative triplicate copy of the export form.

(ii) The procedure governing other commodities which may, in future, be subjected to Grading Scheme will be notified to Authorized Dealers separately.

23. Part Drawings and Advance Remittances.

(i) If it is customary in any particular trade for exporters to draw bills for only a percentage of the invoice value and to receive the balance after arrival of the goods at destination, Authorized Dealers may negotiate/collect bills in the part amount provided they obtain an undertaking from the exporters that they will realize the balance within the prescribed period. Authorized Dealers should report such part receipts on "Form 'E' not attached Voucher" on Schedule 'A-2'. It is the responsibility of the Authorized Dealers to follow up each such case and to ensure that the balance amount is also realized within the prescribed period. This exemption will not, however, apply in the case of shipments of those goods which are subject to either 100% advance remittance or to the opening of irrevocable letter of credit for the full amount of the export.

(ii) When a part of the invoice value has been received in advance by the shippers, the Authorized Dealers when negotiating/collecting documents for the balance should certify on the triplicate copy of the export form that part of the amount had been received by them in advance quoting reference to the return in which the receipt was reported on an "Advance Payment Voucher" (Chapter 22).

(iii) In both the above cases the triplicate copy of the export form should be kept outstanding by the Authorized Dealer and submitted to the SBP-Banking Services Corporation only after the full value of the export has been received.

24. Short Shipment.

Where a portion of a consignment is short shipped and the exporter consequently draws a bill or prepares an invoice for a quantity less than that declared on the relative export form, he should produce a notice of short shipment on the prescribed form duly certified by the Customs alongwith the shipping documents. In such cases, Authorized Dealers should negotiate/collect the shipping documents on the basis of short shipment notice. The Authorized Dealer will forward the short shipment notice to the SBP-Banking Services Corporation alongwith triplicate copy of 'E' form while reporting the realization of full value of the goods shipped. If the exporter fails to produce the short shipment notice alongwith the export documents, the Authorized Dealer may negotiate/accept the documents for collection but report full particulars of the case to the SBP-Banking Services Corporation. The Authorized Dealer should, however, continue to follow up the case with the exporter for submission of short shipment notice.

25. Shipments Shut-out Entirely.

(i) Where a shipment to be made by a particular vessel is entirely shut-out and reshipped by another vessel, the exporter should apply on the prescribed form in duplicate to the Customs for permission to alter the name of the vessel on the relative export form and the shipping bill.

(ii) Where a shipment is entirely shut-out and is not being reshipped immediately by another vessel, the exporter should give a notice to the Customs in the prescribed form in duplicate. It will be the responsibility of the exporter concerned to produce to the Authorized Dealer who had certified the export form, a copy of the shut-out notice duly certified by the Customs within 21 days from the date of certification of the export form. On receipt of the shut-out notice, the Authorized Dealer should treat the relative export forms as cancelled and forward the shut-out notice to the SBP-Banking Services Corporation.

26. Shipment lost or damaged in Transit.

(i) If shipments from Pakistan are lost in transit for which payment has not already been received, the Authorized Dealers must see that an insurance claim is made immediately the loss is known. The triplicate copy of the relative export form should be endorsed with the narration "Shipment Lost" under the stamp and signature of the Authorized Dealer and sent to the SBP-Banking Services Corporation under a separate covering letter giving the following particulars and bearing running serial number:

(a) Name of the insurance company with which goods were insured.

(b) Amount of insurance and its currency.

(c) Place where claim is payable.

(ii) The Authorized Dealer who had certified the export form should pursue the matter with the shipper and ensure that in each case the exporter has received the insurance claim and produces encashment certificate, in cases where claims are paid in foreign currencies and Rupee payment certificate where settlements are made in Rupees. These certificates should be forwarded by the Authorized Dealer to the SBP-Banking Services Corporation giving reference of relative export forms.

27. Advance Remittances against Exports.

i) In case of remittance received in advance for goods to be exported from Pakistan, Authorized Dealers should obtain a certificate in duplicate from the beneficiary on the Advance Payment Voucher (Appendix V-14) declaring the particulars of the intended export, before disbursing the amount to him. Both copies of the Advance Payment Voucher shall be authenticated by the Authorized Dealer. The original shall be surrendered to SBP-Banking Services Corporation with the relative Schedule A-2, while the duplicate shall be returned to the exporter for production at the time of certification of Form 'E'. The Authorized Dealer which has disbursed the amount, shall ensure that Form 'E' is certified for export in accordance with the declaration made on the Advance Payment Voucher within a period of one year of receipt of advance payment and particulars of Form(s) 'E' viz. date of certification, value for which 'E' Forms certified and progressive un-utilized balance (where more than one Forms 'E' are certified) shall be endorsed on the duplicate copy of the Advance Payment Voucher. The triplicate copy of the 'E' Form will be surrendered to the SBP-Banking Services Corporation under a covering letter alongwith a photocopy of the Advance Payment Voucher and the invoice.

ii) In case of payments received for export of fresh fruits/vegetables, it would be in order for the Authorized Dealers to certify 'E' Forms against Advance Payment received, even if the detailed particulars of the 'Goods', their 'Quality' and 'Invoice Value' have not been filled in, provided the broad description i.e. ‘Fresh Fruits’, ‘Fresh Vegetables’, or ‘Fresh Fruits/Vegetables' is declared in the relevant column. While certifying the 'E' Form, the following remarks would be added by the Authorized Dealers:-

'This form has been certified against the outstanding balance of _____ (Amount) out of the advance payment of _____ (Amount) received on _____ (Date)’.

There is no objection to the use of one ‘E’ form for export of both fresh fruits and vegetables if these goods form a single consignment. At the time of shipment, the exporter will fill in the required particulars in all copies of the 'E' Form and submit the duplicate and triplicate copies to the Authorized Dealer alongwith the shipping documents and an invoice. The Authorized Dealer will compare the details of the 'Goods', 'Quantity' and 'Invoice Value' and process the case as indicated in sub-para (i).

In order to address the issues of exporters of fresh fruits/vegetables to bulk buying agents/agents aboard, the Advance Payments would be admissible for shipments to destinations other than the remittance originating country, subject to the following [11] : -

i) The original inward remittance representing Advance Payment clearly contains the name & full address of the remitter, export commodity covered and an indication that shipment destination shall be nominated later.
ii) In case shipment is to be made to any destination other than the one from where the funds are received, there should be a clear written nomination/authorization for the same from the foreign buyer who had originally sent the Advance Payment.

Banks shall ensure to the extent possible, that the remitting party is a bonafide trader/buying agents/ importer of the commodity concerned.

28. Exports against Payments Tendered by Buyers in Person.

In case where payment for goods to be exported is made out of foreign exchange (excluding foreign currency notes) brought from abroad by a purchaser on person, the following procedure will be followed:-

i) The seller (exporter) will arrange the encashment of foreign exchange (excluding foreign currency notes) brought in by the foreign buyer with a bank in Pakistan.

ii) The Authorized Dealer while encashing foreign exchange will obtain an application in the prescribed form (Appendix V-15) from the foreign buyer and get the 'Advance Payment Voucher' completed by the seller.

iii) The Rupee proceeds will be credited to the account of the seller, if one is maintained with the encashing bank, or passed on to the bank with whom the seller maintains his account for credit thereto. Thereafter the Authorized Dealer will make out the prescribed certificate (Appendix V- 16).

iv) While reporting the receipt of foreign exchange as advance payment for export on Schedule A-2, the Authorized Dealer will attach the application and certificate (Appendices V-15 and V-16) with the "Advance Payment Voucher".

29. Export on D.A. /T.R. Basis - Non-Payment by Foreign Buyers.

In case of exports on firm contract on D.A. or T.R. basis, Authorized Dealers, before certifying the export form, should ensure that the foreign buyer is of sound financial standing and enjoys good repute. Doubtful cases should be referred to the SBP-Banking Services Corporation for instructions. Despite aforesaid precaution, if a foreign buyer refuses to accept the goods, the exporter should either make immediate arrangements for shipping the goods back to Pakistan or alternate buyer found with the approval of the State Bank. However, prior approval of the State Bank will not be necessary in cases where the consignment initially refused is taken up finally by the original consignee or an alternate buyer found provided that payment for the consignment is not less than 90% of its original value minus actual demurrage charges, if any. In those cases where the foreign buyers default in making payment after taking delivery of the goods against their acceptance of the bill or T.R., Authorized Dealers shall consider

[11] EPD Circular Letter No. 03/EPD1(51)Misc-2006 Dated January 20, 2006

the possibility of initiating legal action against the foreign buyers for recovery of export proceeds in consultation with the SBP-Banking Services Corporation. To this end, Authorized Dealers should make arrangements for obtaining a suitable undertaking from the exporters at the time of certification of the Form 'E' for firm sales on D.A. or T.R. basis so that there is no hitch in initiating legal action in those cases where the foreign buyers have defaulted.

30. Verification of Export Proceeds Realization Certificate.

Sometimes exporters are required to produce to the Government Departments evidence of exports and the realization of their proceeds. In such cases proceeds realization certificates may be issued by the Authorized Dealers in the prescribed form (Appendix V-17) after getting them authenticated by the SBP-Banking Services Corporation. The SBP-Banking Services Corporation will authenticate such certificates on the strength of certification made by the Authorized Dealers. The transaction would be post-facto verified by the SBP-Banking Services Corporation with reference to the relative schedule/statement received from the concerned Authorized Dealer. To facilitate checking and verification of these transactions Authorized Dealers should quote the correct reference and the period of their schedule/statement in column 10 of the proforma at Appendix V-17.

31. Issue of Duplicate Export Proceeds Realization Certificate.

In case of loss of original export realization certificate, the SBP-Banking Services Corporation on application would authorize issuance of duplicate thereof on the basis of undertaking given by the Authorized Dealer in the prescribed form (Appendix V-18). The word "Duplicate" will be prominently marked in indelible ink at the top of such certificates.

32. Payment of Freight in Rupees.

(i) Carrier companies will not accept payment of freight in Rupees on cargo shipped on C&F or CIF basis unless the exporter produces to them a certificate from an Authorized Dealer in the form given below:

"CERTIFIED that 'E' form No ……in respect of shipment to be made by Messrs (Name of Exporter) …… has been stamped to the effect that the documents in respect of the shipment under this 'E' form shall be negotiated/accepted only if these are drawn on C&F or CIF and not on FOB basis".

(ii) Before issuing the above certificate, Authorized Dealer will invariably endorse the relative 'E' form in the following manner:

"Certified that documents in respect of the shipment under this form shall be negotiated/accepted only when these are drawn on C&F or CIF and not on FOB basis."

The carrier companies will invariably submit to the Authorized Dealer through whom remittance of surplus freight collection is desired to be made with the freight manifests the aforesaid bank's certificates alongwith the relative bills of lading which should be arranged according to the entries appearing in the freight manifest.

33. Reporting of Overdue Cases.

(i) The State Bank has prescribed the period within which full foreign exchange value of the exports must be realized. Non-realization or delay in realization of the export proceeds without the prior permission of the State Bank constitutes an offence and renders the exporters liable to action under the Act.

(ii) To enable the State Bank to review the position of all outstanding export bills, the Head/Principal Offices of Authorized Dealers will furnish to the SBP-Banking Services Corporation every month the following statements:

(a) Statement showing the total figures of all export bills outstanding (including partly unrealized) relating to all their branches, at the end of each month in the prescribed form (Appendix V-19).

(b) Statement in the prescribed form (Appendix V-20) containing particulars of those export bills which have become overdue during the month under report. This statement will be prepared in respect of Authorized Dealer's branches according to the area office of the Foreign Exchange Operations Department given in para 4 of Chapter 1 and will be submitted in duplicate for each area separately. The outstanding export bills pertaining to each exporter should be listed in a sequence with exporter-wise totals and the grand total given at the end. However, the statement for the month of June each year should show particulars of all overdue export bills as on 30th June.

(c) Statement in Appendix V-21 showing particulars of those cases which were reported by Authorized Dealers as overdue in the previous statements but the items are deleted from their books during the month under report either due to realization of the proceeds or under instructions from the State Bank/SBP-Banking Services Corporation.

The above statements in Appendices V-19, V-20 and V-21 should reach the Foreign Exchange Operations Department (Central & Statistics Section), SBP-Banking Services Corporation, Head Office, Karachi by the 15th of the month following that to which they relate. It will be the responsibility of the Authorized Dealers to see that the above statements are submitted to the SBP-Banking Services Corporation on due dates and that all cases of exports which become overdue are invariably incorporated in these statements and that there is no omission in this regard. The statements in forms V-20 and V-21 will additionally be submitted on floppy diskettes.

34. Export of Jewellery, Precious or Semi-precious Stones.

Export of gold jewellery/precious and semi-precious stones will be allowed in accordance with the procedure notified by the Government of Pakistan and the instructions issued by the State Bank from time to time.

35. Remittance of Export Commission, Brokerage and Discount.

(i) Authorized Dealers are permitted to allow payment of commission/brokerage/discount due to foreign importers/or agents by exporters in Pakistan at the following rates[1]:

		Maximum rate of commission etc.
(a)	Books, journals and magazines.	Upto 33 ⅓%
(b)	Engineering goods (Electrical and Non-electrical).	Upto 10 %
(c)	Sports goods, surgical instruments, cutlery, leather goods, ready-made garments and other textile made-ups, carpets and plastic manufactures.	Upto 10 %
(d)	Pharmaceutical products	Upto 15%
(e)	Cotton.	Upto 2 %
(f)	All other goods except cement.	Upto 10%
(g)	Cement	Upto 5%

Cases not covered by the above instructions should be referred to State Bank/SBP-Banking Services Corporation with full facts and documentary evidence necessitating the payment of commission at a higher rate.

(ii) Authorized Dealers can allow payment of commission etc., upto the above extent without the prior approval of the State Bank as under after satisfying themselves that the payment is in conformity with the relative agreement between the exporter and the buyer/agent abroad:

(a) By deduction from the invoices where payment is to be made to the foreign buyers themselves. In such cases the net amount realized will only be reported as "Purchase".

(b) By instructing the negotiating bank abroad that the amount of commission etc., may be paid by them to the agents direct out of the proceeds of the bill. In such cases the Authorized Dealers should report the full export proceeds of the bill as "Purchase" and the amount of commission should be reported as "Sale".

(c) By remittances from Pakistan, when the full export proceeds are received within ninety days of the receipt of export proceeds. The Authorized Dealers should report the full export proceeds of the bill as "Purchase" and the amount of commission remitted should be reported as "Sale".

Where remittance is not made as provided herein, approval of the State Bank in accordance with the provisions of paragraph 9 of Chapter 14 shall be obtained. It should, however, be noted that in the case of exports under special trading agreements, commission is payable only through the special accounts opened for settlement of related transactions.

(iii) In cases where the exporter is not required to pay commission or where he is required to pay an amount less than the maximum permissible limits for commission, such amounts of commission/ differential not exceeding the limits as stated in paras 35(i) and 36 of the FOB value of goods realized and net foreign exchange earnings respectively can be retained in foreign currency account with Authorized

Dealers in Pakistan. The funds held in such foreign currency accounts can be used by the exporters for promotional publicity, collection of commercial intelligence, purchase of designs/patterns, market studies, bonafide export claims, shortfall in realization of export proceeds and any other legitimate purpose, without any approval from the State Bank. The foreign currency accounts so opened will be fed exclusively with the maximum allowable/differential for commission from export proceeds/net foreign exchange earnings and no other deposits, whatsoever the nature, will be accepted for credit to such foreign currency accounts. The facility is also available where export proceeds are realized under ACU Arrangement.

[12]Authorized Dealers shall ensure that the aforesaid special foreign currency accounts are only opened by genuine exporters. In this respect, Authorized Dealers must follow their standard operating procedures for opening and maintenance of such accounts and ensure compliance of all related KYC and CDD requirements/ foreign exchange regulations. Further, such accounts shall be fed with prescribed portion of export proceeds and utilized by the exporters for permissible/legitimate purposes related to exports only. Therefore, the balances held in such accounts cannot be utilized for any other purpose.

(iv) 'Physicians' Free Sample' may be supplied alongwith consignments of drugs and medicines being exported by the pharmaceutical companies, upto the extent agreed to between exporters and foreign buyers/agents.

36. Export of Services.

Exporters of services such as Financial Services, Wholesale Distribution and Retail Trade, Transportation, Storage and Communications, Tele-communication Services, Medical Services, Educational Services, Engineering Services, Real Estate Development, Hotel and Tourism/Tourism Related Services, Technical Testing Facilities and Consultancy Services etc. are authorized to retain 35% of their net foreign exchange earnings in foreign currency accounts with Authorized Dealers in Pakistan. The Authorized Dealers should ensure that such funds are utilized only for payment of commission/discount and for meeting other expenses such as promotional publicity, foreign consultant's fee etc.

37. Retention of a part of incremental export earnings.

Those exporters who post at least 10% growth in their net foreign exchange earnings in terms of US dollar over the last year's export performance may be allowed by the State Bank to retain 50% of their additional export earnings in their foreign currency account maintained with Authorized Dealers in Pakistan. For claiming this facility, the Exporter/Group will work out on aggregate basis in the context of companies/firms having common Directors/Partners/individual company owned by the single owner having substantial equity, and will prepare a Bank-wise statement in the prescribed form (Appendix V-22) showing the performance of previous financial year and current financial year. They are also required to submit a consolidated statement in the prescribed form (Appendix V-23) to the Foreign Exchange Operations Department alongwith the 'performance' in original for issuance of formal permission to the exporter to retain 50% of their additional export earnings in their foreign currency account from their future export earnings in the designated bank. This facility will be available in addition to the one available in terms of paragraph 35 (iii) ibid.

[12] EPD Circular Letter No. 11 dated August 09, 2018.

38. Private Commodity Exchange Arrangement with Foreign Parties.

(i) It is permissible for private parties in Pakistan to enter into Commodity Exchange Arrangement (CEA) with foreign parties (including undertakings controlled by foreign governments and public sector agencies but excluding foreign governments). The Ministry of Commerce will prescribe, from time to time, a negative list of commodities which cannot be exported under this scheme.

(ii) Applications for conducting transactions through private CEA may be submitted to the Exchange Policy Department (Policy Division) through banks authorized to deal in foreign exchange, for approval alongwith the past performance showing the value of exports made by the applicant in each year during the preceding three financial years duly certified by their bankers, and the recommendation of the bank whether in view of its past dealings, the party may be given permission to conduct business through private CEA. Exporters having less than three continuous years export performance would not be eligible. A copy of the agreement entered into between the party in Pakistan and the counter-party in the concerned country abroad will also be required to be submitted. In the case of both exports and imports by the party in Pakistan, the normal laws, regulations, rules governing such export/import will continue to be applicable barring the exemptions granted in this paragraph. The approvals will be given by the State Bank in the format appearing at (Appendix V-24)

(iii) The party permitted to undertake business transactions under such arrangement will be exempt from the existing requirement of drawing the documents of title to export cargo to the order of an Authorized Dealer in case of export, and it can also receive the import documents from the counter-party direct. Authorized Dealers shall also be required to certify Form "E" in the modified form as indicated in the Appendix V-24. The parties will ensure that imports at least equal to the value of exports are made by them within the period prescribed from time to time for repatriation of export proceeds failing which the value of exports should be repatriated in convertible foreign currency within the prescribed period.

(iv) The party will nominate an Authorized Dealer to maintain proforma account in its name for the purpose of accounting the trade transactions. Separate proforma account will be maintained in respect of each CEA. The concerned Authorized Dealer will be required to submit a monthly statement in duplicate in the prescribed form (Appendix V-25) in respect of each CEA showing:-

a) the value of goods exported, alongwith the copies of invoice and duplicate 'E' Forms;

b) the value of goods imported from abroad alongwith copies of the invoices, non-negotiable copies of bills of lading and photocopies of Exchange Control copy of Customs Bills of Entry evidencing import of the goods into the country;

c) the opening and closing balances.

While forwarding the above statements to the SBP-Banking Services Corporation, the Authorized Dealer will code the items exported/imported.

(v) It is clarified that no forward exchange facility either for export or import transactions shall be admissible. Export under the scheme is not eligible for the purpose of Export Refinance Scheme.

(vi) The withholding tax leviable on the export as per the Notifications issued by the Federal Board of Revenue from time to time will be recovered by the Authorized Dealers at the time of passing the entry in the account in respect of exports from Pakistan.

39. Internet Merchant Accounts.

In order to promote Business-to-Consumer (B2C) e-Commerce in Pakistan, banks operating in Pakistan can open and operate Internet Merchant Accounts. In this connection the following parameters are to be observed meticulously:-

(a) Merchants desirous of opening an Internet Merchant Account with a bank in Pakistan can open the same either in local currency or in US$ for the purpose and, in addition to observance of normal procedure for opening an account, will be required to submit a copy of their NTN Certificate to the bank.

(b) Merchants must be engaged in a business permissible under laws of Pakistan.

(c) Merchants must have a registered place of business in Pakistan.

(d) For the present, merchants desirous to undertake transactions outside Pakistan will be required to submit 'E' forms for transactions of value less than US$ 500 each to their bank who shall submit the same in consolidated form on monthly basis to SBP-Banking Services Corporation. Each 'E' form for the aforesaid accounts should specifically indicate the words "E-Commerce" on the upper left corner.

(e) Banks shall recover charges for Internet Merchant Accounts strictly in accordance with Prudential Regulation X. Any clarification with regard to bank charges on these accounts may be obtained from the Director, Banking Surveillance Department, SBP, Karachi.

(f) The banks shall be responsible for reporting business through the Internet Merchant Accounts to the Foreign Exchange Operations Department, SBP-Banking Services Corporation on monthly basis as per proforma appearing at Appendix V-26.

(g) The banks shall be responsible for reporting any suspected transactions against the laws of the country, as per Prudential Regulation XII.

CHAPTER 13

IMPORTS

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33. Omitted

34. Omitted

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38A Asian Clearing Union (ACU)

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40. Project Loans and Credits.

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42. Deposit of Counter-Part Rupee Funds with the State Bank in respect of Foreign Non-Project Commodity Loans.

43. Fine on delay in deposit of Counterpart Funds.

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46. Exchange Facilities for Merchanting Business by Pakistan Intermediaries.

CHAPTER 13

IMPORTS

1. Scope of Chapter.

This chapter sets out the regulations relating to sale of foreign exchange by the Authorized Dealers against import of goods into Pakistan from any country.

2. Import Trade Control (I.T.C.).

Import of goods into Pakistan is regulated by the Ministry of Commerce, Government of Pakistan, under the Imports and Exports (Control) Act, 1950 and the notifications issued thereunder. No import is permissible from Israel or from any other country, which may be notified by the Ministry of Commerce. Import of goods originating from any of these countries/sources is also prohibited. Imports from India are regulated as notified by the Ministry of Commerce, Government of Pakistan from time to time.

3. Omitted[1]

4. Classification of Imports.

Before establishing any letter of credit/registering contracts, Authorized Dealers should take all precautions to ensure that the goods to be imported under it are clearly classifiable under the Import Trade Control Schedules. In all cases of doubt, reference should be made either by the Authorized Dealer or the importer direct to the TDAP. Failure to do so may result in confiscation of goods or imposition of penalty for violating the provisions of the I.T.C. regulations. In all such cases establishment of letter of credit/registration of contract and/or making of remittance will also constitute infringement of the Foreign Exchange regulations.

5. Terms of Imports.

Subject to the provisions of this chapter, imports can be made on FOB basis, CFR liner terms basis or CFR free out basis. However, prior permission of the State Bank shall be obtained for import of sugar and food grains (cereals) on CFR free out basis.

6. Modes of payments for imports.

Payment for imports may be made either through letters of credit, without letters of credit against documents received for collection on the basis of registration of contracts, or as clean remittance without opening of letter of credit and without registration of contract, as described in detail in the subsequent paragraphs.

6A –Issuance of Electronic Import Form (EIF).[2]

i. Form Prescribed for Imports

In pursuance of SBP Notification No. F.E.1/2016-SB dated July 26, 2016, all importers of goods are required to make a declaration to the Customs Authorities in WeBOC on Electronic Import Form before filing of Goods Declaration through an Authorized Dealer. Authorized Dealers shall approve EIF request submitted by the importers on the day of i) making advance payment; ii) establishment of letter of credit or iii) registration of contract.

[1] Omitted pursuant to FE Circular No. 05 dated August 9, 2016.

[2] FE Circular No. 05 dated August 9, 2016.

For imports made on open account basis, an importer shall get the EIF approved from an Authorized Dealer before clearance of goods by Pakistan Customs (Open account shall include import transactions in which documents have been received by importer/Authorized Dealer directly from the foreign supplier). The Authorized Dealers may approve the EIF request upon submission of photocopies of shipping documents. However, payment shall be made by the Authorized Dealer as per instructions contained in Para 17 of this chapter.

ii. Registration of the Importers in WeBOC

Registration and deletion of the importers in WeBOC shall be carried out by Pakistan Customs as per their prescribed procedure.

iii. Importer's Customer Due Diligence (CDD)/Know Your Customer (KYC) by Authorized Dealers

a) Authorized Dealers shall continue to perform CDD/KYC of the importers, being their account holders/customers, as per applicable instructions. The Managers/Proprietor/ Partners/Directors etc. of the concerned company/firm etc. (importer) submitting EIF request, will be held responsible severally and jointly for the import of goods into Pakistan in line with applicable rules and regulations/procedure.

b) Authorized Dealers may refuse to further approve EIF in case of outstanding import bills of an importer.

iv. Addition and Deletion of Authorized Dealers and their Branches in WeBOC

a) Authorized Dealers shall request for addition or deletion of their authorized branches in WeBOC through their respective Group/Business Heads to the Director, Foreign Exchange Operations Department (FEOD), SBP, Banking Services Corporation (SBP-BSC), Head Office, Karachi.

b) If a new bank is issued license of Authorized Dealer by Exchange Policy Department, SBP, it may also request for its addition in WeBOC and its authorized branches by submitting request through bank's Group/Business Head to the Director, FEOD, SBP-BSC, Head Office, Karachi.

v. User IDs and Passwords for Authorized Dealers in WeBOC

a) The user IDs and passwords already issued to Authorized Dealers by Pakistan Customs for Electronic Form 'E' (EFE) module can also be used for EIF module.

b) For new users, Authorized Dealers shall submit request for issuance of User IDs and passwords by providing required information as per Annexure (placed at the end of this chapter) to the Director, FEOD, SBP-BSC, Head Office, Karachi, who will forward the same to Pakistan Customs. User IDs and Passwords will be issued and provided to Authorized Dealers directly by Pakistan Customs. For cancellation of User ID and Password, Authorized Dealers shall submit cancellation request signed by their respective Group/Business Heads to the Director, FEOD, SBP-BSC, Head Office, Karachi, who will forward the same to Pakistan Customs for necessary action.

c) All concerned employees and Authorized Dealers shall maintain confidentiality of WeBOC User IDs and passwords. They shall be responsible for any un-authorized use of their User IDs as per provisions of Chapter XVI-A of the Customs Act, 1969 and rules made thereunder. Further, for all foreign exchange related purposes, all functions performed in WeBOC through User ID of an Authorized Dealer will be construed to have been performed by the Authorized Dealer itself.

vi. Issuance of Electronic Import Form

a) The importer will submit EIF request electronically through WeBOC to a branch of an Authorized Dealer of its choice. The respective branch will electronically approve or reject EIF request after fulfillment of requirements against particular mode of payment as contained in this chapter. After electronic approval of EIF by the Authorized Dealer, the importer will attach GD in WeBOC with EIF for clearance of goods. The detailed procedure to be followed for issuance of EIF and its attachment with GD is explained in User Manuals for Importers *(Annexure-I)* and Authorized Dealers *(Annexure-II)*, which are available at the following links respectively:

http://www.sbp.org.pk/epd/2016/FEC5_Annex1.pdf
http://www.sbp.org.pk/epd/2016/FEC5_Annex2.pdf

b) The serial number of EIF for each Authorized Dealer will be generated automatically through WeBOC. The format of EIF number will comprise of four components i.e. alpha acronym of Authorized Dealer, the text 'EIF', system generated 6 digit serial number and date of issuance of EIF. For example, first EIF number for XYZ bank issued in year 2016 will be XYZ-EIF-000001-DDMMYYYY. At the beginning of each calendar year, serial number for each bank will reset to 000001.

vii. Amendment in Electronic Import Form

a) The importer can amend EIF request before it is approved or rejected by the Authorized Dealer. Once Authorized Dealer has approved or rejected EIF, it cannot be amended by the importer.

b) Authorized Dealer can amend value, quantity, price, validity etc. of the approved EIF upon request by the importer with appropriate documentary evidence/details to the satisfaction of the Authorized Dealer.

viii. Cancellation of Electronic Import Form

a) Importer can cancel EIF request before it is approved by the Authorized Dealer.

b) Authorized Dealers can cancel approved EIF before submission of Bank Debit Advice (BDA) or attachment with GD.

ix. Expiry of Electronic Import Form

a) If no action is taken by Authorized Dealer on EIF request submitted by the importer within 15 days, it will automatically expire in WeBOC.

b) Expiry date of the EIF should commensurate with the related documents i.e. contract/LC.

c) In case of advance payments, the expiry date of the EIF must be within four months from the date of advance payment except for cases where approval from SBP has been obtained for extension in period for submission of shipping documents. In this case, SBP approval number and date must be mentioned in 'Remarks' column.

d) If EIF is not used before the expiry date, it will automatically expire in the system. The expiry date of the EIF may be enhanced by Authorized Dealer upon request by the importer after getting appropriate documentary evidence for the same.

x. Maintenance of Record of approved Electronic Import Form

Complete record of EIF approved by Authorized Dealers through WeBOC shall be kept by respective branches and Head/Principal Office of Authorized Dealers in electronic form. This should be done preferably on weekly basis through acquisition and updation of data from WeBOC. However, Authorized Dealer can also take print-out of EIF from WeBOC.

xi. Filing of Bank Debit Advice (BDA) in WeBOC

Authorized Dealer shall fill in BDA for each EIF in WeBOC at the time of import payments as provided in EIF module. In case of payment on open account basis, payment will only be made after clearance of goods by the Customs.

xii. Payment against goods imported on open account

Authorized Dealers shall allow payments against goods imported on open account basis within six months from the date of filing of GD Form. In case the importer fails to make remittance/payment of goods imported on open account basis within the above stipulated time, appropriate regulatory/legal action may be initiated against the importer.

xiii. Shipment and Payment against transition consignments

From September 1, 2016 onwards, all import consignments, including those against which advance payment has been made previously, shall only be cleared upon attachment of approved EIF with the respective GD.

i) Where advance payment has been effected by the Authorized Dealer before the above date, the Authorized Dealer shall approve EIF and file respective BDA with remarks as "Advance payment effected on…… vide Form-I No……". Subsequently, such EIFs shall be settled/closed after completion of the transaction and attachment of GD(s) with EIF.

ii) Where goods have been cleared by Pakistan Customs before the above date and the payment/remittance has not yet been effected, the Authorized Dealer shall approve the EIF and make payment upon filing of BDA in EIF module. Subsequently, such EIFs shall be settled/closed with remarks as "Goods cleared by Customs vide GD No……..dated……..".

However, while handling transactions conducted on open account basis, Authorized Dealers must ensure observance of instructions contained in Para 17 of this chapter. Further, transactions already reported through manual Form-I should not be reported again to FEOD on respective schedule.

xiv. Bank to Bank EIF Transfer

a) If the payment is to be made by an Authorized Dealer other than the one which has approved EIF, the approved EIF can be transferred by the approving Authorized Dealer to the Authorized Dealer making the payment using "Bank to Bank Transfer" utility in WeBOC. The subsequent EIF/BDA settlement/filing/reporting will be the responsibility of the Authorized Dealer receiving the EIF. It may be noted that upon Bank to Bank Transfer, EIF number including the bank prefix will not change.

b) Proper record of EIFs which are transferred as per (a) above shall be maintained by both the Authorized Dealers.

xv. Settlement of Electronic Import Form

a) Once BDA has been filled, shipping documents have been received by the bank and goods have been cleared by Customs, Authorized Dealers are required to settle EIF in WeBOC. Authorized Dealer must ensure, by verification through GD Form that the payment made against imported goods is not more than declared value of goods imported into Pakistan. In case the EIF has been transferred from one bank to another, the bank to which EIF has been transferred will settle it.

b) In case the Authorized Dealer is unable to settle EIF for any reason, the matter shall be forwarded to FEOD, SBP-BSC, Head Office, Karachi for settlement.

xvi. Short Shipment/Non Shipment against Advance Payment

In cases where advance payment has been effected from Pakistan by an Authorized Dealer on behalf of importer and the value of goods received in Pakistan is less than the advance payment made there-against or where no goods can be imported for any reason, Authorized Dealer will settle the EIF with appropriate remarks after repatriation of the advance payment to Pakistan. Any deviation shall be reported to the State Bank. Instructions in respect of import against advance payments shall be followed meticulously.

xvii. Submission of Returns

Authorized Dealer shall send a printed copy of EIF, BDA, relevant invoices, shipping documents and GD to respective area office of FEOD, SBP-BSC along with E2/P2 with monthly FX returns till further instructions.

xviii. Handling of EIF where Import Payment is not involved

Authorized Dealers are also allowed to approve such EIFs against which no payment/remittance outside Pakistan is required. These may include goods imported temporarily into Pakistan with a view to subsequent exportation, subject to terms and conditions determined by Federal Board of Revenue, under Project Loans and Credits on free of payments basis or under special approvals from the State Bank. Authorized Dealers, while approving such EIFs, must ensure that necessary documentation/ approvals are in place. Further, proper reference of the approval/reason must be mentioned in 'Remarks' column in EIF module.

xix. Exclusions (Where EIF is not required)

EIF shall not be required for certain GD types as stipulated by Pakistan Customs through their Circulars/Notices issued from time to time.

xx. Powers of State Bank of Pakistan and Pakistan Customs

a) In case of exceptional circumstances, the relevant officer of Pakistan Customs not below the rank of Additional Collector, if so satisfied with the transaction may permit clearance of goods without the requirement of EIF. However, payment against such consignments shall be made upon filing of EIF and subsequent BDA in WeBOC. Authorized Dealers shall refer all such cases to FEOD, SBP-BSC, Head Office, Karachi for settlement.

b) If found necessary, the Director, FEOD, SBP-BSC, Karachi may allow cancellation, settlement or transfer of EIF approved by an Authorized Dealer to another Authorized Dealer through EIF module in WeBOC.

7. Letters of Credit to be opened only against Firm Contracts.

Authorized Dealers should ensure before opening a letter of credit that in each case a firm commitment exists. For this purpose, they should ensure that an invoice, order or indent has been issued by an indentor. It is also permissible to open a letter of credit on the basis of proforma invoice/order issued/accepted by the foreign supplier. Authorized Dealers should also ensure that while opening letters of credit, full description of the goods to be imported is given in each credit alongwith their prices. In all cases where the amount of the letter of credit is Rs.1,500,000/- or over, Authorized Dealers should obtain a confidential report on the exporter from their branches or correspondents abroad or in their discretion satisfy themselves as to the standing of the shipper by consulting standard books of reference issued by international credit agencies such as Seyds, Dunn and Bradstreet. Such reports should be obtained by the Authorized Dealers themselves and the reports if submitted by the importers should not be accepted. Even in the case of imports of the value of less than Rs.1,500,000/-, it is important that the Authorized Dealers satisfy themselves about the bonafides of the transactions before opening letters of credit.

8. Methods of Payment under Letters of Credit.

(i) Letters of credit may be established providing for payment to beneficiary either in the country of origin of goods or in the country of shipment of goods.

(ii) Authorized Dealers may also establish letters of credit providing for payment to the beneficiary in a third country, not being the country of origin of goods or the country of shipment provided they are satisfied that the payment to the beneficiary in a third country does not involve extra expenditure. This facility is, however, not admissible for the import of goods which are directly shipped from the ACU member countries.

(iii) Authorized Dealers may also establish letters of credit providing for shipment of goods of the origin of more than one country provided the beneficiary remains the same and the shipment does not involve extra expenditure.

(iv) Letters of credit established as per (i), (ii) and (iii) above should provide for payment in any of the following manners:

(a) in any foreign currency.

(b) in Rupees for credit to the non-resident bank account of the country of the beneficiary or of the country of origin/shipment of goods.

(c) Through ACU Clearing Arrangement where letters of credit envisage shipment directly from ACU member countries.

(v) Opening of letters of credit providing for payment in any other manner requires prior approval of the State Bank. Such requests giving full facts of the case alongwith their recommendations should be forwarded by the Authorized Dealers to the State Bank.

(vi) It is not permissible to establish letters of credit providing for alternate countries of origin of goods unless prior approval of the State Bank is obtained. Letters of credit providing for goods of 'European Union' origin may, however, be opened.

9. Opening of/extension in letters of credit—time frame/change of beneficiary and commodity/ other amendments.

(i) Authorized Dealers can open letters of credit and extend their validity for a period allowed by the import policy announced by the Ministry of Commerce subject to compliance with all the conditions laid down therein.

(ii) If the Import Policy does not lay down any instruction in this regard, they may open letters of credit for a period upto 12 months. However, in respect of machinery and mill-work which are required to be specifically manufactured and the period of manufacture is more than 12 months, the letter of credit may be opened for a period upto 24 months. The validity of a letter of credit may be extended by the Authorized Dealers for further periods not exceeding 12 months at a time on payment of fee, if so prescribed in the Import Policy, provided there has been no change in the Import Policy/Exchange Regulations in relation to the importability of the goods, the country of origin/shipment, and the method of payment/and if approached within its validity. An expired letter of credit may also be similarly revalidated subject to the same conditions.

(iii) Authorized Dealers are also allowed to amend the letters of credit envisaging change of the beneficiary/goods at the request of the importers provided the importers approach the Authorized Dealers for the change within the validity of the letter of credit and import of the goods covered by the letters of credit are still permissible.

(iv) Authorized Dealers should also ensure to make endorsement of L/C opened for items (other than freely importable items) whose import is subject to certain conditions, in the original Category Pass Book. In case an importer opens letters of credit with more than one bank, the Authorized Dealer holding the original Category Pass Book will make out photo state copies thereof, authenticate the same and furnish other concerned Authorized Dealers with it and will keep record thereof.

(v) Authorized Dealers may also make other amendments in the letters of credit without reference to the State Bank provided the amendments are not in conflict with the provisions of this Manual or the Import Trade Control Regulations.

(vi) Letters of credit may provide for negotiation of documents within a period not exceeding 30 days from the date of shipment.

10. Terms on which Letters of Credits may be opened.

All letters of credit and similar undertakings covering imports must provide for payment to be made against full set of clean on board (shipped) bills of lading, air consignment notes, railway receipts, post parcel receipts (or in the case of bulk import of books from U.K. against "Statement of Dispatches" in lieu of post parcel receipts) showing dispatch of goods to a place in Pakistan. [3]In case of Karachi, port of discharge should be specified as either Keamari, Karachi or Port Qasim, Karachi under importer's specific instructions. The mention of "any port in Pakistan" or "Karachi" as the port of discharge should be avoided unless specifically required in the underlying contract giving option to the foreign exporter in respect of the port of discharge. Sea-way bills should not be accepted. All letters of credit must specify submission of invoices certifying the country of origin in addition to any other certificate prescribed in the Import Policy.

11. Import of Old Ships for Scrapping.

Letters of credit for import of old ships for scrapping may be opened by the Authorized Dealers in accordance with the normal procedure after scrutiny of the following documents:

(i) Memorandum of agreement or contract of sale; and
(ii) Confidential reports on buyers and sellers.

[3]EPD Circular letter No. 03 dated April 29, 2004.

Authorized Dealers will satisfy themselves that the ship is free from all encumbrances and that the seller has a legal title to the ship.

12. Letters of Credit for Shipment by Country Craft, Motor Launch or Truck.

Ordinarily it is not permissible to open letters of credit providing for shipment by means of country craft, motor launch or truck except by public sector agencies or by well established and reputable firms in the private sector, provided in the latter case the Authorized Dealers are satisfied about their financial and business integrity and they have no doubt that the goods covered by such letters of credit will be received in Pakistan.

In the case of other importers in the private sector, letters of credit for import of goods by means of country craft, motor launch or truck may be opened by the Authorized Dealers subject to the following conditions:

(i) The supplier abroad furnishes guarantee of a bank in the country of export for an equivalent amount to the effect that should the goods be lost or damaged or pilfered in transit, the above guarantee can be invoked and the amount remitted against the letters of credit recovered.

(ii) Alternatively, the letter of credit provides that payment will be made to the foreign suppliers after the goods have been received and cleared by the Customs in Pakistan.

In respect of importers in the private sector who are unable to fulfill the conditions at (i) and (ii) above, the Authorized Dealers should refer their cases to the State Bank with full particulars.

13. Remittances in Excess of the Amount of Letter of Credit.

In cases where the value of documents exceeds the amount of the letter of credit and the foreign correspondent negotiates the documents because of the excess amount being small or sends them on collection basis, Authorized Dealers may allow remittance of the excess amount subject to the condition that the amount does not exceed 5 percent of the amount of credit subject to a maximum of US $500/-. The bill of entry/certified invoice in respect of the consignment will be required to cover the increased amount.

14. Types of Letters of Credit not permitted.

It is not permissible to open clean, revolving, transferable or packing credits. Applications for opening such letters of credit should be referred to the State Bank with full particulars.

15. Prohibition to open Letters of Credit for Import from certain Countries.

It is not permissible to open letters of credit for imports into Pakistan in favour of beneficiaries in Israel or of goods originating from that country.

16. Imports on the basis of Registration of Contracts/Collection.

The undernoted procedure will be adopted for making import payments on the basis of registration of contract without opening letter of credit: -

(i) The importer will submit a copy of the contract/purchase order/proforma invoice/indent etc. to the Authorized Dealer for registration.

(ii) The Authorized Dealer registering the contract etc. will issue to the importer, a registration certificate in the format appearing at Appendix V-27.

(iii) In case the documents covering imports are received by the Authorized Dealer which had registered the contract/purchase order/indent/proforma invoice, directly from the banker of the supplier abroad, Authorized Dealers have general permission to make such remittances there-against. However, in case of receipt of photocopies of shipping documents, the instructions laid down in paragraph 17 shall be followed.

(iv) In case the shipping documents are received by the importer directly, or by the Authorized Dealer from the overseas supplier instead of the banker of the supplier, remittance should be made in accordance with the instructions contained in para 17 of this chapter.

(v) In case of imports from ACU member countries, remittances will be effected through ACU Clearing Arrangements.

(vi) Authorized Dealers will incorporate the figures of the contracts registered by them/remittances made thereagainst in the statements as per Appendices V-134, V-135, V-136 and V-137 (para 15-Chapter 22).

(vii) [4]However, due to peculiar nature of trade with Afghanistan through land routes, especially through Torkham and Chaman borders, Authorized Dealers are allowed to register contracts of the Pakistani importers and make payments thereagainst as per the following procedure:

a) The Authorized Dealer shall register import contract as per the applicable regulations/ procedure as defined above.
b) The contract may be registered for single shipment or any number of multiple shipments as per the contract.
c) Maximum tenure of the contract shall be one year.
d) The Authorized Dealer shall approve the Electronic Import Form of the total amount of the contract against which multiple Goods Declarations (GDs) can be attached as per the applicable procedure.
e) The requirement for routing of shipping documents through banks shall not be mandatory.
f) The Pakistani importer may directly receive shipping documents from an Afghani exporter and get the goods cleared after attachment of GD(s) with Electronic Import Form.
g) The Authorized Dealer, upon receipt of copies of shipping documents for each shipment from the importer, shall make payment after verifying amount of intended remittance from GD(s) attached with the respective Electronic Import Form.

17. Imports without letter of credit/registration of the indent/proforma invoice/order (Open Account Basis).

(i) In terms of the Import Policy, importers are permitted to make imports without opening of letters of credit or registering the indents/proforma invoices or orders with the Authorized Dealers (on open account basis), and make remittances there against after receipt of goods in Pakistan. [5]Imports made on open account basis include import transactions in which documents have been received by the importer or the Authorized Dealer directly from the foreign supplier.

[6]Authorized Dealers are allowed to effect payments for imports on open account basis on behalf of manufacturing & industrial users and commercial importers for import of raw materials and spare parts only, to be used as input by the manufacturing/industrial concerns. . Besides, Authorized Dealers may also effect payments for imports on open account basis as per the below detail:

i. Up to USD 50,000 or equivalent for import of life-saving medicines & devices.

[4] FE Circular No. 02 dated February 27, 2017.

[5] FE Circular No. 09 dated September 15, 2017

[6] FE Circular No. 07 dated July 20, 2018, EPD Circular Letter No. 13 dated August 29, 2018, EPD Circular Letter No. 15 dated September 14, 2018, EPD Circular Letter No. 01 dated January 01, 2019.

ii. Up to USD 10,000 or equivalent for import of the following items:

a) Essential medicines and devices.
b) Aircraft related spare parts/components.
c) Lab equipments/instruments imported by educational institutions for their own use.
d) Newspapers, magazines, periodicals, books etc.

However, before effecting payment on open account basis for import of life-saving or essential medicines & devices, Authorized Dealers shall obtain a certificate issued by the principal of a teaching hospital in public sector or head of a Government specialized hospital confirming that the medicines/devices/instruments being imported fall under the life-saving/essential category.

In this regard, the following procedure shall be adopted to make payment against goods imported on open account basis:

a) An importer shall get the EIF approved from an Authorized Dealer before clearance of goods by Pakistan Customs. The Authorized Dealers shall approve the EIF request upon submission/retention of photocopies of shipping documents (e.g. B/L, AWB, TR, RR, Courier Receipt etc.), proforma invoice, commercial invoice etc.

b) Authorized Dealers are required to perform Customer Due Diligence (CDD)/Know Your Customer (KYC) of the importers, being their account holders/customers, as per applicable instructions. The Authorized Dealers shall take all possible measures to verify the bonafides of the importer and genuineness of the transaction before approving the EIF.

c) Authorized Dealers shall ensure that the goods imported into Pakistan are in conformity with the prevailing Import Policy Order issued by the Ministry of Commerce.

d) Authorized Dealers shall ensure that payments against goods imported on open account basis are made by the importer within six months from the date of filing of Goods Declaration Form (GD) for which proper follow up must be made with the importer.

e) In addition to the documents mentioned at sub-para (a) above, Authorized Dealers shall obtain copies of GD(s) and duty paid challan/payment receipt, wherever applicable, and make payment after verifying, through WeBOC user ID, attachment of GD(s) with the respective EIF. In case of bonded import, Authorized Dealer shall obtain duty paid challan(s)/payment receipt(s) from the importer in due course.

f) Authorized Dealers must ensure that the payment being made against imported goods is not more than the declared value of goods imported into Pakistan.

g) Authorized Dealers shall fill in Bank Debit Advice (BDA) for each EIF in WeBOC at the time of making import payment as provided in EIF module and settle the EIF in WeBOC as per applicable instructions.

h) Authorized Dealers are required to ensure compliance of proper AML/CFT guidelines while handling trade transactions.

(ii) In case the importer fails to make remittance/payment of goods imported on open account basis within the above stipulated time, appropriate regulatory/legal action may be initiated against the importer.

(iii) Authorized Dealers shall refer the case to the Foreign Exchange Operations Department, SBP-Banking Services Corporation, Head Office, Karachi for prior approval in case the importer/Authorized Dealer is unable to fulfill any of the above conditions/requirements.

(iv) [7]At the request of industrial establishments as importers, Authorized Dealers may issue foreign currency demand draft for import of spare parts/machinery, without opening of letter of credit, provided such imports are made by air or by courier. Authorized Dealers will maintain a record of all such drafts issued by them. They will also obtain Exchange Control copy of Bill of Entry and evidence to the effect that the import was made by air/courier. These records will be retained till the next inspection of the concerned bank branch by the State Bank's Inspectors.

18. Import on Usance Basis.

Authorized Dealers may open letters of credit or register contracts for imports into Pakistan providing for payment on usance basis subject to the condition that such letters of credit/contracts do not stipulate payment of any amount by way of interest separately. The usance should commence from the date of issue of Bill of Lading/Air Way Bill etc. or the acceptance of Bill of Exchange by the drawees as the case may be. The letters of credit opened on usance basis cannot subsequently be converted on sight basis. Similarly the terms of the contracts covering payments on usance basis registered by the Authorized Dealers cannot subsequently be changed to sight basis. It is not permissible to effect payments of usance bills prematurely.

19. Imports by Public Sector agencies to which Special Allocation is made by the Government.

Public Sector agencies like WAPDA, Pakistan State Oil, OGDCL, etc. which are allocated foreign exchange for their import requirement or the private parties who are allowed to import on Defence/Railway's account shall make applications to the area offices of Foreign Exchange Operations Department, SBP-Banking Services Corporation for permission to get the contracts registered with the Authorized Dealer/open letters of credit, on Appendix V- 28. Authorized Dealers will register contract/ open letter of credit in these cases on the basis of clearance issued by SBP-Banking Services Corporation on Appendix V- 28.

20. Remittance of bank charges in respect of Imports.

Authorized Dealers can make remittance of the following bank charges on account of imports. The particulars of the charges should be specifically mentioned on the relevant forms.

(i) L.C. Advising Commission.

(ii) L.C. Amendment Commission.

(iii) L.C. Confirmation Commission.

(iv) Negotiation Commission.

(v) Un-utilized Letter of Credit Commission.

(vi) Payment Commission.

(vii) Reimbursement Commission.

(viii) Collection Commission.

(ix) Acceptance Commission (Usance Drafts).

(x) Postage and Cable Charges.

Remittances of bank charges other than the items mentioned above in respect of imports will be subject to the prior approval of the Foreign Exchange Operations Department, SBP-Banking Services Corporation.

21. Remittance of Proceeds of Dishonored Bills.

In those cases where the original drawee dishonors the bill and the foreign shipper or his local agent finds another buyer, the Authorized Dealers may make remittance not exceeding the value of such bills

[7] FE Circular No. 15 dated August 15, 2003.

without the prior permission of the State Bank if there are no restrictions in the Import Policy issued by Ministry of Commerce.

22. Remittance involving Violation of I.T.C. Regulations.

Authorized Dealers may allow remittance of the value of imports made in contravention of the Import Policy if the Federal Government has condoned the contravention and the Customs have released the goods. Such remittance may be allowed on submission of the invoice, bill of lading and Exchange Control copy of Customs Bill of Entry.

23. General Authority for Remittances against Imports.

Authorized Dealers may approve, on behalf of the State Bank, applications for remittance against imports into Pakistan provided the documents covering imports, whether under letters of credit or otherwise, are received through them and the conditions set out in this chapter are complied with. In the case of imports by post, Authorized Dealers may make remittances without the prior approval of the State Bank, only if the post parcels are addressed directly to them. In cases, where the parcels are addressed direct to the individuals or care of the Authorized Dealers, applications should be forwarded to the State Bank for prior approval.

24. Collection of Freight on Imports on F.O.B. basis in the Private Sector.

The following procedure will be followed for imports on FOB basis in the private sector:

(i) The importers desiring to make imports on FOB basis will get the letters of credit opened/ contracts for imports on consignment basis registered through/with their bankers provided the importers fulfill other instructions issued by the Government of Pakistan/State Bank of Pakistan with respect to imports.

(ii) The shipping lines/airlines will obviously issue Bills of Lading/Airways Bills in connection with FOB imports on "Freight to Collect" basis. As and when freight is required to be paid in Pakistan rupees, the importers will approach the Authorized Dealers who had opened letter of credit/registered the contract for import on consignment basis alongwith a copy of Bill of Lading/Airway Bill indicating the amount of freight payable together with the freight invoice issued by the carrier, where available, for issuance of a certificate in the format appearing at Appendix V-29 which will bear the name/address of the issuing Authorized Dealer and a running serial number.

(iii) The importers will then pay the freight amount to the carriers in Pakistan rupees and will also surrender the "certificate" referred to in the preceding sub-para to the concerned carrier.

(iv) Airlines/shipping companies and their agents will not accept freight on FOB imports without Authorized Dealers' certificate mentioned in sub-para (ii) above. The airlines/shipping companies will invariably attach the said "certificate" (Appendix V-29) in original alongwith the applications to be made for allowing remittance of surplus freight collections.

25. Collection of Freight on F.O.B. Imports by the Public Sector.

In the case of imports by the public sector on FOB basis the carriers should not accept freight in Rupees without the approval of the SBP-Banking Services Corporation. Approval will be given by the SBP-Banking Services Corporation after charging the full amount of the freight to the foreign exchange allocation of the respective Government/Semi-Government agency. While applying for approval, the carrier company will produce with the application a letter in the prescribed form (Appendix V-30) from the concerned Department/Agency authorizing the SBP-Banking Services Corporation to debit its foreign exchange allocation with the freight amount. As an exception, it will be in order for the carriers to accept freight in Rupees on account of F.O.B. imports by the Ministry of Defence only subject to post-facto approval. Application for permission to pay freight in Rupees in respect of imports by the Ministry of Defence will be made by the Controller of Military/Naval/Air Force Accounts in triplicate in the above

proforma. Approval will be accorded by the SBP-Banking Services Corporation on the original copy of the application with the following narration:

"Payment of freight in Rupees as indicated above allowed".

While the triplicate copy of the application will be retained by the SBP-Banking Services Corporation, the original and duplicate will be returned to the Controller of Military/Naval/Air Force Accounts. The latter will furnish the original copy to the carrier concerned.

26. Shipment of Public Sector cargo through PNSC Vessels/PIA.

As an exception to the provision of paragraph 25 ibid, it will be in order for the PNSC and PIA to accept freight in Pak Rupees on FOB imports by the Public Sector agencies (Ministries/Departments, autonomous and semi-autonomous public sector organizations) provided the goods are carried by them on freight to pay basis. PIA will, however, accept cargo only for the sectors covered by it. Authorized Dealer's Certificate mentioned in Para 24 (ii) will not be required to be produced to PNSC/PIA by the importing agencies.

27. Payment of Freight on Import of Trade Samples.

Airlines/shipping companies can accept freight in Rupees upto Rs. 2,000/- per year per importer for import of bonafide trade samples. While accepting freight the airlines/shipping companies should obtain a certificate from the importer to the effect that the total amount of freight already paid including the amount to be paid during the calendar year on account of trade samples received by him, does not exceed the limit of Rs. 2,000/- The certificate should be submitted by the airlines/shipping companies alongwith their application for remittance in which the collection of such freight is included.

28. Imports on Private Account.

Certain categories of imports are exempted from the Import Trade Control Regulations. For example, in transit imports, imports by diplomatic officials in Pakistan, imports in bond, imports of gift parcels upto the exempted limit and imports by private parties for their personal use upto prescribed limits. Authorized Dealers should not allow any remittance against such imports except as laid down in Chapter 16.

29. Imports by PICIC/NDLC under Foreign Currency Lines of Credit.

(i) PICIC/NDLC can open letters of credit under the foreign currency lines of credit contracted by them with the approval of the Government of Pakistan, and the foreign currency loans contracted by the Government of Pakistan and placed at their disposal for on-lending to their customers.

(ii) In all the cases of imports against letters of credit issued by PICIC/NDLC, it should be ensured that import is made on C&F basis unless shipment is made on Pak flag vessels and in that case letters of credit may provide for imports on FOB basis on payment of freight in Pakistan rupees.

30. Advance Remittances.

(i) [8]Authorized Dealers are allowed to effect advance payments against imports up to 100% of value of irrevocable letters of credit, for import of plant, machinery, spare parts and raw material etc. on behalf of manufacturing concerns for their own use only subject to the following terms and conditions:

a) The bank will take all possible measures to verify the bonafides and genuineness of the transaction while processing advance payment request and may get the credit worthiness report

[8] EPD Circular Letter No. 1 dated January 28, 2020

of the foreign supplier before allowing advance payment. In order to secure advance payment, the bank may also ask the importer to obtain performance guarantee from the supplier's bank.

b) The bank will obtain an undertaking from the importer on the prescribed form (Appendix V-31) that in case goods are not received for any reason within the period of four months, the bank as well as the customer will ensure repatriation of the advance payment back.

c) In case the importer is unable to import goods against advance payment within four months or the underlying contract is cancelled, the bank will recover a penalty @1% per month or part thereof on the amount of advance payment from the date of remittance till date of submission of shipping documents or repatriation of advance payment. [10]The bank will deposit the penalty amount in favor of State Bank of Pakistan through RTGS Clearing Account No. 427518. In this respect, a consolidated statement regarding all such cases will be submitted by Head/Principal Offices of the Authorized Dealers to the Director, Foreign Exchange Operations Department, SBP-Banking Services Corporation on monthly basis as per prescribed format (Appendix V-27A).

d) If a consistent behavior as mentioned at (c) above is observed where actual imports do not take place against advance payments, Authorized Dealer may debar the concerned importer from making any future advance payments under intimation to Exchange Policy Department, State Bank of Pakistan, Karachi.

(ii) [11]Authorized Dealers are allowed to effect advance payment up to USD 10,000/-, or equivalent thereof, per invoice on behalf of manufacturing/industrial concerns and commercial importers for import of raw material, spare parts and machinery, for ultimate use by the manufacturing/industrial concerns, without the requirement of L/C or Bank Guarantee from the supplier. [12]Further, Authorized Dealers may also effect advance payment up to USD 10,000/-, or equivalent thereof, per invoice on behalf of importers for import of certain essential commodities as under:

a) Essential medicines and devices.
b) Aircraft related spare parts/components.
c) Lab equipments/instruments imported by educational institutions for their own use.
d) Newspapers, magazines, periodicals, books etc.
e) Raw materials and spare parts by importers cum exporters for their own use only.

[13] Besides, in case of import of life-saving medicines & devices, Authorized Dealers may effect advance payment up to USD 50,000/-, or equivalent thereof, per invoice. However, before effecting advance payment against import of life-saving medicines & devices (up to USD 50,000/-) or essential medicines & devices (up to USD 10,000/-), Authorized Dealers shall obtain a certificate issued by the principal of a teaching hospital in public sector or head of a Government specialized hospital confirming that the medicines/devices/instruments being imported fall under the life-saving/essential category.

Moreover, Authorized Dealers shall ensure the bona-fides of the underlying import transactions and ensuring that related shipping documents are submitted to them by the importers within four months of the advance payment. In this respect, the bank will obtain an undertaking from the importer on the prescribed form (Appendix V- 31) that in case goods are not received for any reason within the period of four months, the bank as well as the customer will ensure repatriation of the advance payment back. Importers will also be required to furnish to Authorized Dealers at the time of making a request for remittance, an undertaking to produce invoice and bills of lading/airway bill within a period of four months from the date of advance payment. The Authorized Dealers will pursue the matter with the importers and

10 EPD Circular Letter No. 22 dated Dec 05, 2017
[11] EPD Circular Letter No. 1 dated January 28, 2020
12 FE Circular No. 05 dated April 08, 2015.
[13] FE Circular No. 06 dated July 14, 2018, EPD Circular Letter No. 13 dated August 29, 2018, EPD Circular Letter No. 15 dated September 14, 2018, EPD Circular Letter No. 01 dated January 01, 2019.

report those cases to the area offices of Foreign Exchange Operations Department, SBP-Banking Services Corporation, where the requisite documents are not produced within the prescribed time limit.

In case the importer is unable to import goods against advance payment or the underlying contract is cancelled, the bank will recover a penalty @1% per month or part thereof on the amount of advance payment from the date of remittance till the date of submission of shipping documents or repatriation of advance payment. [14]The bank will deposit the penalty amount in favor of State Bank of Pakistan through RTGS Clearing Account No. 427518. In this respect, a consolidated statement regarding all such cases will be submitted by Head/Principal Offices of the Authorized Dealers to the Director, Foreign Exchange Operations Department, SBP-Banking Services Corporation on monthly basis as per prescribed format (Appendix V-27A). If a consistent behavior as mentioned above is observed where actual imports do not take place against advance payments, Authorized Dealer may debar the concerned importer from making any future advance payments.

(iii) In the case of import of books and subscription to journals and magazines etc., by Government and Semi-Government agencies, Authorized Dealers may allow direct advance remittance as per the instructions contained in sub-para (ii) above. In the case of subscription to magazines/journals etc., there will be no Customs Bill of Entry/certified invoice. In such cases, Authorized Dealers will attach the relative debit note with the printed copy of Electronic Import Form giving on both a suitable remark indicating that the remittance has been allowed in advance. As regards import of books, there will be usual Customs Bill of Entry/certified invoice which will be processed in the normal course.

(iv) Authorized Dealers may allow advance remittances for import of books, journals and magazines etc., by commercial importers as per the instructions contained in sub-para (ii) above. Since magazines and journals are imported in bulk by the commercial importers in their own names, there will be usual Bills of Entry/certified invoices as in the case of import of books.

31. Use of foreign exchange acquired for Imports.

In all cases of remittances against import into Pakistan, the importers shall not use the foreign exchange so acquired other than for that purpose.

32. Omitted

33. Omitted

34. Omitted

35. Loss of Goods.

In the event of total or partial loss of goods, it will be the responsibility of the importers to recover claim from insurance company/shipping company/supplier, as the case may be.

36. Designation of Authorized Dealers for Imports under Special Arrangements.

(i) The State Bank designates Authorized Dealers for handling imports under Foreign Loans/credits and barter agreements including PL-480 programme. Letters of credit for import under these arrangements are required to be established through the designated Authorized Dealers only. Importers are, however, free to approach the designated banks either directly or through their bankers.

(ii) In the case of US AID Loans, PL-480 and KFW (German) Loans, the State Bank designates banks in U.S.A. and Germany also for claiming payment or reimbursement from the loan/aid giving agencies. Similar designation of banks in the country of other aid giving agencies may also be made, if necessary, under the aid/loan arrangements.

[14] FE Circular Letter No. 22 dated Dec 05, 2017

37. Rates of Commission to be charged by Banks.

(i) Authorized Dealers may recover from the importers following charges:-

(a) Bank charges specified in and remittable under the provisions of para 20 of this chapter and the amount of interest, where authorized under loans like US AID Loans and others, payable to the foreign banks handling the transactions at the other end. The amounts of bank charges and interest as mentioned above may be remitted to the foreign banks without the prior approval of the State Bank subject to report on Form 'M'.

(b) Their own commission at rates allowed by the Banking Surveillance Department from time to time, if applicable.

In respect of imports under Aids/Loans/Credits/Barters where the business is handled through Authorized Dealers who are not designated banks, the commission will be shared equally between the designated bank and the bank handling the business on behalf of its customers.

(ii) Authorized Dealers may recover commission at the following rates on letters of credit covering imports by the Government routed through State Bank:

(a) In respect of cash/reimbursable loans/barters expressed in U.S. Dollar or any other foreign currency including L/Cs under A.C.U. arrangement:

aa) 1/8 % if the value of the letter of credit is less than Rs.250,000/-

bb) 1/16 % if the value of the letter of credit is Rs 250,000/- or more.

(b) In respect of non-reimbursable credits and Rupee Barters: 3/8 % irrespective of the value of the letter of credit.

The above charges are inclusive of foreign correspondents charges. However, in addition to the above, Authorized Dealers may recover actual cable/telex charges where L/Cs are desired to be established through cable/telex and confirmation charges of foreign bank if foreign bank's confirmation is also to be added on opener's request.

38. Special Features of various Aid Loans and Credits.

(i) **U.S. AID LOANS:** After the signing of the loan agreement, U.S. AID, Washington issues letters of commitment which indicate the salient features of the loan as also the names of designated Pakistani and American banks. U.S. AID loans stipulate minimum monetary limits for the opening of each letter of credit as well as the value of each shipment. They may, however, issue one letter of commitment under each U. S. AID Loan. Goods are required to be shipped on U.S./Pakistan flag vessels in accordance with the shipping requirements laid down in respect of each loan. U.S. Liner Services are available on some ports from where shipments can be made only on U.S. flag vessels. In cases U.S. flag vessels are not available on these ports, shipments can be made on Pakistan flag vessels or on the vessels of any other country which is included in the AID Geographic Code 941 after obtaining waiver from the U.S. AID. From ports where U.S. Liner Services are not available, shipments can be made on Pakistan flag vessels or vessels of other countries included in AID Geographic Code No.941. Two percent or ten percent of the freight amount under U.S. AID Loans on 'Free-Out' and 'Non-Free-Out' basis respectively, which is not financed by AID authorities, is paid from Pakistan's own resources.

(ii) **PL-480 PROGRAMME**: Major food items like wheat, soyabean oil, tobacco and non-fat dry milk are imported under Public Law 480. Banks are not designated for import of wheat which is directly handled by the Ministry of Food. For the remaining items, banks in Pakistan and the U.S.A. are designated for handling imports. Payment to the suppliers is made directly by the Commodity Credit Corporation (C.C.C.) of U.S.A. for which Procurement Authorization (P.A) is issued. Shipments are required to be made on Pakistan and U.S. flag vessels on 50:50 basis. In the event of non-availability of U.S./Pakistan flag vessels,

shipments can be made on vessels of any other country at the discretion of Commodity Credit Corporation. In case of shipments by Pakistan flag vessels, Pakistani Shipping Companies can accept payment of freight in Rupees without approval of the State Bank. In case of shipment on U.S. flag vessels, permission of the State Bank for opening of freight letter of credit/making remittance of freight is required in each individual case.

(iii) **I.D.A. CREDITS**: Imports under I.D.A. Credits can be made from member countries of I.B.R.D. (International Bank for Reconstruction and Development) and Switzerland. Shipment is also required to be made on the vessels of member countries of I.B.R.D. and Switzerland. There are different case procedures for payments under I.D.A. Credits.

(iv) **OTHER LOANS AND CREDITS**: In respect of loans and credits other than those mentioned above, which are provided by various countries, specific instructions are issued by the State Bank from time to time for handling imports and claiming reimbursements thereunder.

38A. Asian Clearing Union (ACU). [15]

(i) INTRODUCTION: ACU Clearing Arrangement provides a clearing system through which all eligible payments for current international transactions among the member countries, other than payment relating to travel, are compulsorily settled through the ACU mechanism which allows payment in the AMU or the currency of the participating country in which one party to the transaction resides. However, there is no bar to any contract or letter of credit or invoice being denominated in Non-ACU Currency, provided such contract/letter of credit invariably contains a clause to the effect that payment of equivalent amount in ACU Currency/AMU shall be made through the Clearing Arrangement and also specifies the manner in which the currency of the contract/letter of credit will be converted into the currency of actual payment/AMU. Payments for exports to member countries against letters of credit established under loans/credits taken by the importing country from the international financial institutions like World Bank, Asian Development Bank etc., can be realized in convertible currency outside the Clearing Arrangement.

(ii) ACU Accounts of Authorized Dealers.

a) Authorized Dealers may open ACU Dollar (ACUD), ACU Euro (ACUE) and ACU [16]Japanese Yen (ACUY) accounts with their correspondents in the ACU member countries and open their correspondents' accounts with them in these notional currencies. Only one account of each currency will be opened in one Country. The limits for maintaining Nostro balances in ACUD, ACUE and ACUY for the banks maintaining accounts under ACU arrangement are fixed and the concerned bank(s) are apprised of it.

b) [17]. One ACUD, ACUE and ACUY would be equivalent in value to one USD, Euro & JPY respectively. Accordingly, transactions under ACU Mechanism may be denominated and settled in ACUD, ACUE and ACUY. The transactions in these currencies would be reported by Authorized Dealers to SBP and settled by SBP in each currency separately. Accordingly, three separate accounts will be maintained for the settlement of each ACU currency (ACUD, ACUE and ACUY).

c) The Authorized Dealers are permitted to pay/receive interest, at their discretion, on ACUD, ACUE & ACUY accounts as per mutually agreed terms and conditions. The balances of ACUD, ACUE & ACUY accounts together with other foreign currency/Nostro accounts would however be subject to the overall exposure limits of the banks.

d) Authorized Dealers shall issue ACU account statements as and when a transaction occurs and on monthly basis.[9]

[15] FE Circular No. 46 dated November 15, 1995.
[16] FE Circular 7 dated December 23, 2019
[17] FE Circular No. 11 dated December 19, 2008.

[18]However, due to payment channel for processing 'ACU Euro' transactions being under review, the operations in 'ACU Euro' are temporary suspended. Accordingly, all eligible transactions in Euro are permitted to be settled outside the ACU mechanism.

(iii) Procedure for settlement through ACU Mechanism.

a) The Asian Monetary Unit (AMU) will comprise of ACUD, ACUE, & ACUY. One ACUD, ACUE, ACUY, will be equal to one USD, Euro and JPY respectively.

b) The banks of the member countries presently maintain Nostro accounts in the currency of the country where the account is maintained. Under the ACU mechanism, these accounts will be maintained in "ACU Dollar", "ACU Euro" or "ACU Yen".

c) When an Authorized Dealer needs to fund its ACU Dollar/Euro/Yen Nostro account with its correspondent bank in another participating country, it will surrender equivalent amount of U.S. Dollar/Euro/Japanese Yen to SBP for remittance through ACU mechanism. SBP will advise the Central Bank in the country concerned to make available the required U.S. Dollar/ Euro/ Japanese Yen amount to the concerned bank in that country. SBP will also advise the General Manager – ACU to credit the account of the Central Bank of that country by debit to its (SBP's) account. When an Authorized Dealer desires to repatriate funds from its ACU Dollar/Euro/ Japanese Yen account with its correspondent bank in another country (correspondent bank), it will request that bank to effect the remittance through the ACU mechanism. The correspondent bank will surrender the requisite amount of U.S. Dollar/Euro/ Japanese Yen to its Central Bank for remittance. The Central Bank receiving the amount will advise SBP to make available the amount in U.S. Dollar/Euro/ Japanese Yen to the concerned bank. The concerned Central Bank will also advise the General Manager – ACU to credit SBP 's account by debit to its account. SBP in turn will provide the US Dollar/Euro/ Japanese Yen amount to the bank concerned in Pakistan.

39. Foreign Currency Loans and Credits Negotiated by the Government of Pakistan.

Foreign currency loans and credits negotiated by the Government of Pakistan with the international institutions and other agencies are utilized for import of machinery, capital goods, technical know-how, commodities etc. Such credits negotiated for import of machinery, capital goods etc., are normally placed at the disposal of public sector agencies (who use it by opening letters of credit through the banks designated by State Bank of Pakistan or by arranging direct disbursement by the lending agency) and the Development Finance Institutions e.g. PICIC, NDLC and IDBP who in turn disburse them to their constituents. The credits for import of commodities, raw materials, spares etc., are normally disbursed through banks designated by the State Bank against the allocations made by the Economic Affairs Division, Government of Pakistan. Any other foreign currency credits negotiated privately would require approval of the Federal Government/State Bank.

40. Project Loans and Credits.

In respect of imports under Project loans, banks are also designated. Normally, Authorized Dealers are advised to deliver shipping documents to the importing agencies free of payment.

41. Reimbursable Loans and Credits.

In case of reimbursable loans and credits, imports are financed in the first instance from Pakistan's own foreign exchange resources and reimbursement is obtained from the loan giving agency. In some cases imports are also financed from Pakistan's cash foreign exchange resources pending signing of the relevant loan agreement. As and when the loan agreement is signed, reimbursement is to be sought expeditiously from the relevant Loan/Credit giving agency. The procedures for obtaining reimbursement from the loan giving agencies are worked out on loan to loan basis.

[18] EPD Circular Letter 10 July 28, 2016

42. Deposit of Counter-Part Rupee Funds with the State Bank in respect of Foreign Non-Project Commodity Loans.

The designated Authorized Dealers will observe the following procedure for deposit of counter-part Rupee funds:

(i) Appropriate Rupee amounts in respect of imports under all foreign non-project commodity loans and credits on non-reimbursable basis will be deposited with the regional office/branch of the SBP-Banking Services Corporation within three working days of the receipt of documents by the designated banks in Pakistan or within 10 days from the date of negotiation by the bank abroad, whichever happens to be earlier, at the rate of exchange prevailing on the date of lodgement of documents in cases where no forward exchange is booked. Where forward cover has been booked, the booked rate is applied for the purpose of depositing Rupee funds.

(ii) The designated Authorized Dealers will submit, to the concerned area Chief Manager of the SBP-Banking Services Corporation, a statement of Rupee deposits at the time such deposits are made against foreign non-project commodity loans and credits in the prescribed form (Appendix V-33). Copies of these statements will also be sent to various Government agencies.

43. Fine on delay in deposit of Counterpart Funds.

In the event of delay in depositing counterpart funds with the SBP-Banking Services Corporation within the prescribed period, the concerned Authorized Dealer will pay to the State Bank fine at the rate of Rs 4 per day per Rs 10,000 or part thereof for the period of delay.

44. Documents received on Collection Basis due to Discrepancy/Documents drawn on usance basis.

(i) In cases where the overseas negotiating bank does not make payment to the supplier but sends the documents to the bank in Pakistan on collection basis due to discrepancy in the documents, the Authorized Dealers will deposit counterpart funds with the SBP-Banking Services Corporation on retirement of the documents by the importers concerned. The prescribed period for deposit of counterpart funds will be reckoned as from the date of retirement of bill by the importer. If the funds are held back by the Authorized Dealers beyond the prescribed period, fine would be charged as per paragraph 43 ibid.

(ii) In those cases where the negotiating banks make payment to the suppliers under reserve or guarantee due to minor discrepancies in documents, either the documents should be sent back to the negotiating bank or the counterpart funds deposited with the SBP-Banking Services Corporation within a maximum period of one week from the date of the receipt of the documents. In case, however, the designated bank in Pakistan chooses to retain the documents beyond the prescribed period of one week, a statement of all such cases should be sent to the Director of Accounts, Economic Affairs Division, Government of Pakistan, Islamabad and the concerned Chief Manager of the SBP-Banking Services Corporation showing the particulars of shipping documents and indicating names and addresses of the importers, letters of credit numbers and dates, vessel, commodity and foreign currency amount specifying the detailed reasons for not depositing the amount within the prescribed period of one week. The cases in which deposits are made within a week need not be reported.

(iii) The designated Authorized Dealer is required to deposit counterpart funds with the SBP-Banking Services Corporation within the period specified in paragraph 42 ibid. The letters of credit opened by the Authorized Dealers for imports under Aid/Loans and Credits should not, therefore, provide for documents to be drawn on usance basis. Documents with usance clause if received by an Authorized Dealer will not be accepted by the State Bank as sufficient reason for waiver of fine on account of delayed deposit of counterpart funds.

45. Deposit of Funds Received under Reimbursable Loans/Credits.

In case of loans and credits on reimbursable basis, the designated banks are required to deposit funds in the State Bank's Account with the Federal Reserve Bank, New York or with such other banks as may be specified from time to time. The deposits should be made immediately on reimbursement by the foreign loan/credit giving agencies but not later than the date following that on which reimbursement is received. Late deposits will be subject to payment of fine at rates given in paragraph 43 ibid. The Authorized Dealers designated to open letters of credit for imports under loans and credits should, therefore, make necessary arrangements in advance with their correspondents abroad to effect the transfers within the stipulated period. Late receipt or non-receipt of reimbursement advice by the designated banks in Pakistan would not be accepted as sufficient reason for waiver of fine.

46. Exchange Facilities for Merchanting Business by Pakistan Intermediaries.

(i) Residents of Pakistan and firms and companies functioning in Pakistan are allowed to engage themselves in three way merchanting trade through back-to-back letters of credit providing for payment in convertible currency or advance payments excluding payments under bilateral/multilateral accounts, in respect of the following commodities:

1. Crude Oil
2. Edible Oil
3. Wheat
4. Rubber
5. Cotton
6. Tea
7. Sugar
8. Fertilizer

Authorized Dealers are permitted to open letters of credit in favour of third country exporters either against an irrevocable letter of credit on sight basis or against advance remittance in convertible currency received from the ultimate importer subject to the following conditions:

a) The price differential includes intermediary's commission at not less than one percent, plus actual charges incurred on account of opening of back-to-back letter of credit, buying and selling rates differential etc.

b) The letters of credit to be established by Pakistani intermediary in favour of third country supplier will carry sufficient usance so that payment becomes due only after receipt of payment from the importer. In case where letters of credit are to be opened against advance remittance, the condition of usance will not be obligatory.

c) The amount of foreign exchange representing the price differential including commission will be converted into Pak rupees.

d) No commission or any other claim of whatsoever nature will be allowed to be remitted from Pakistan.

e) No credit line such as export finance etc. will be available.

f) Goods will be shipped directly from the country of supply to the country of import.

g) No forward cover facility will be available for trade under this arrangement. However, if desired, the intermediary Pakistani trader can open a "Special Foreign Currency Account" with an Authorized Dealer in Pakistan for deposit of the proceeds of the letters of credit/advance remittances received from the third country buyer pending (i) eventual payment to the third country suppliers under the back-to-back letter of credit stipulating reimbursement to the third country suppliers out of Special Foreign Currency Account and (ii) conversion into Pakistan rupees of the amount left out after making payment to the third country supplier against back-to-back letters of credit.

General permission has been accorded to the Authorized Dealers for opening and maintaining Special Foreign Currency Accounts for merchanting trade which will be subject to the following terms, conditions and the procedure:

aa) The account will be fed exclusively through remittances emanating either from the realization of proceeds under an irrevocable letter of credit opened by an overseas buyer for third country goods or advance remittance made by such buyer for supply of third country goods.

bb) The account will be kept outside the scope of Foreign Currency Accounts Scheme as embodied in Chapter 6 of this Manual. In other words the foreign currency received in such accounts will not be required to be surrendered to the State Bank. Authorized Dealers can hold such foreign currency abroad in addition to the normal balances held abroad.

cc) Interest accruing on the balances held in the account will be converted into and paid in Pak rupees.

dd) The exemption of interest income from levy of taxes etc. shall not be admissible.

After payment for import under the back-to-back letter of credit, the Authorized Dealer will prepare a statement in the format appearing at Appendix V-34 matching the receipt and payment for each merchanting transaction individually and will submit the same to the concerned area office of the Foreign Exchange Operations Department. The reporting of inward and outward remittances would be as indicated in the format appearing at Appendix V-35.

(ii) It is also permissible to conduct three-way merchanting trade in commodities other than those mentioned in sub-para (i), subject to the same terms and conditions, except that the margin to be retained by the Pakistani intermediary which includes his commission and expenses, is not less than (a) 10%, if the sale price is to be received from the foreign buyer before remittance of the purchase price is made to the overseas supplier of the goods, and (b) 15% if back-to-back letter of credit provides for payment to be made to the overseas supplier of the goods before receipt of remittance from the overseas buyer.

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CHAPTER 14

COMMERCIAL REMITTANCES (OTHER THAN FOR IMPORTS)

1. Freight and Passage Collections.
2. Reporting of Passage and Freight Earnings.
3. Remittance of Surplus Passage and Freight Collections by Foreign Airlines operating in Pakistan.
4. Remittance of Surplus Passage and Freight Collections by Foreign Shipping Companies.
5. Remittance of Freight Charges by Freight Forwarders/Consolidators.
6. General Average Payments.
7. Operating Expenses of Pakistani Shipping Companies/Airlines.
8. Charter of Foreign Ships and Aircrafts.
9. Export Claims.
10. Guarantees for Payment of Claims.
11. Acquisition of Services from Abroad**.**
12. Remittance of Royalty/Franchise and Technical Fees.
13. Technical Services and Consultancy Agreements and Engagement of Foreign Technicians.
14. Remittances by Information Technology Sector.
15. Remittance of Profits by Foreign Banks/Companies.
16. Payment of Dividend to Non-Resident Shareholders.
17. Export of Dividend Warrants.
18. (i) Foreign Articles in Pakistani Newspapers and Magazines.

    (ii) Remittances on account of News Feature, News Picture, Syndication Services, Gambles, Comics, Puzzles, Book Reviews etc.

    (iii) Remittances of salary/remuneration as well as Telex/Telefax/Telegram/Telephone Charges to the Overseas Correspondents of Pakistani Newspapers.

19. Advertisements in Newspapers and Magazines abroad.

20. Bank Charges and Sundries.

21. Purchase of Tender Forms from abroad.

22. (i) Registration of Patents and Trade Marks in Foreign Countries.

    (ii) Registration of Exporters of Pharmaceutical products in Foreign Countries.

23. Reporting of Remittances.

CHAPTER 14

COMMERCIAL REMITTANCES (OTHER THAN FOR IMPORTS)

1. Freight and Passage Collections.

i) Shipping companies/airlines may accept freight and passage money in Rupees only in the under-noted cases without the prior approval of the State Bank:

a) Exports from Pakistan made on C&F/CIF basis against Form 'E'/ 'EFE' duly certified by Authorized Dealers on their letter heads in terms of para 32 of Chapter 12 of the Manual.

b) Imports into Pakistan on FOB basis:

aa) Against Authorized Dealer's certificate on form prescribed at Appendix V-29 in terms of para 24 of Chapter 13 of the Manual.

bb) Against SBP's approval for import on FOB basis in public sector in terms of para 25 of Chapter 13 of the Manual.

cc) Against certificate of importers for freight on Import of Trade Sample not exceeding Rs. 2,000/- per year in terms of para 27 of Chapter 13 of the Manual.

c) Freight on personal effects/excess baggage in accordance with the provisions laid down in paras 39(i) & 39(iii) of Chapter 17 of the Manual.

d) Freight on Export of Trade Sample and gift parcels in accordance with the procedure laid down in para 39 (ii) of Chapter 17 of the Manual.

e) Passage money in accordance with the instructions laid down in Chapter 17.

In all other cases prior approval of State Bank should be obtained before collecting freight in Rupees. For this purpose, applications should be made to the State Bank giving the nature of the transactions and the reasons why freight cannot be paid in foreign currency.

ii) Foreign shipping companies and airlines, whether having an office in Pakistan, or not, were not allowed to open PLS accounts. They could open current accounts for keeping funds received from abroad and the amounts of freight and passage collections, pending remittance to their head offices.[1]However, in terms of F.E. Circular No. 5 dated 17th March, 2003, Shipping Companies/Airlines having offices in Pakistan or operating their ship/airlines in Pakistan can open and operate profit-bearing Pak rupee accounts in Pakistan with the condition that profit so earned would not be remittable but can be used for meeting local expenses. Agents of foreign shipping companies and airlines may continue to retain freight/passage collections in PLS accounts held in their own names provided the profits earned in these accounts are not passed on in any manner to their principals.

[1] FE Circular No. 5 dated March 17, 2003.

iii) [2]Cargo Consolidators/Forwarders who are approved members of FIATA and registered with regulating authorities as per Para 1 (iv) ibid may accept freight in rupees without the prior approval of the State Bank only in respect of Pakistani exports cargo on C&F/CIF basis as per procedure prescribed in paragraph 32 of Chapter 12 of the Manual provided the consignment is being dispatched against Advance Payment or an irrevocable letter of credit which contains a provision for issuance of documents of title under Cargo Consolidation System and a certificate to this effect issued by the Authorized Dealer on Appendix V-12 is produced.

iv) The Regulating Authorities for respective Agents of Foreign Principals are as below:

Type of Agency	**Regulating Authority**	**Type of permission**
a) Shipping Agency	Director General (Ports and Shipping Wing) Ministry of Communications and Railways, Government of Pakistan.	Registration
b) Cargo Consolidators	-do-	Registration
c) Airline GSA/PSA	Civil Aviation Authority	NOC

2. Reporting of Passage and Freight Earnings.

Foreign airlines/General Sales Agents/Shipping companies/Shipping Agents are required to report each month to the State Bank full particulars of the passages and freight booked by them in Pakistan on form 'F.P. Airline'/'F.P. Shipping' in duplicate as per specimen appearing at Appendices V-36 and V-37. [3]The statements by foreign airlines/General Sales Agents and foreign shipping companies/agents i.e. Appendices V-36 & V-37 should be sent to Statistics and Data Warehouse Department of the State Bank of Pakistan at f.air@sbp.org.pk and f.ship@sbp.org.pk respectively by 18th of the following month. While the Airlines should submit only one form 'F.P. Airline' in respect of bookings made by them and their agents, the Shipping Agents should submit separate statement (form F.P. Shipping) for each of their principals whose ships are handled by them during a month. The forms F.P. should be supported by bank encashment certificate in support of inward remittances received.

3. Remittance of Surplus Passage and Freight Collections by Foreign Airlines operating in Pakistan.

i) Authorized Dealers may allow remittance of surplus passage and freight collections, [4]twice a month on receipt of payments from the travel agents, of those foreign airlines/General Sales Agents which are keeping their collections with them, on submission of application alongwith the following documents: -

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[2] FE Circular No. 19 dated December16, 2002.
[3] FE Circular No. 07 dated August 18, 2016
[4] FE Circular No. 09 dated August 09, 2005.

a) A copy of F.P. Statement (Appendix V-36).

b) Import/Export freight manifests.

c) Authorized Dealers certificates as stated in paragraph 1 (i)(b)(aa).

d) [5]BSP Sales Statement provided by the International Air Transport Association (IATA) alongwith the Counter Sales Report which contains full details of each sale transaction and other documents prescribed in Chapter 17. (Data contained in Appendix V-38 statement should readily be available with the concerned ticket issuing office).

e) Statement of passage/freight bookings earlier made on credit now realized (Appendix V-39).

f) Disbursement Statements (Appendix V-40).

g) Cancellation/refund statement (Appendix V-41).

h) Statement of outstanding passage/freight bookings on credit (Appendix V-42).

i) Auditors' certificate showing payment of income tax, or exemption certificate given by the Revenue authorities.

j) [6]In the case of agents, a copy of the valid permission letter given by the regulating authorities as stated under Para 1 (iv) ibid for acting on behalf of the foreign principal.

k) An undertaking to repatriate back to Pakistan, the amount found by the State Bank, on post-facto checking, to have been remitted in excess of the entitlement.

ii) Authorized Dealers will allow remittance of surplus passage and freight collections plus inward remittance, to the extent of amounts of passage and freight actually realized less disbursements, refunds, and income tax paid/payable. No remittance is to be allowed in excess of the balance available in the account, as it is not permissible to make remittances out of borrowed funds.

(iii) [7]Airlines will retain photocopies of Tickets/Coupons/Airway Bills at their end for submission to the concerned Authorized Dealer, as and when required for random verification by the State Bank of Pakistan. Instead of submitting photocopies of tickets/ coupons/Airway Bills, they may attach with their remittance application, the counter Sales Report which contains full details of each sale transaction.

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[5] FE Circular No. 05 dated December 17, 2007.
[6] FE Circular No. 19 dated December16, 2002.
[7] FE Circular No. 9 dated August 09, 2005.

iv) The requirement of submission of foreign currency Encashment Certificate for repatriation of cargo revenue has also been done away. Further, other supporting documents for repatriation of cargo revenue will also not be required to be submitted along with funds transfer application form. The same may be submitted by the Airline to the concerned Authorized Dealer within 120 days after departure of the cargo.

v) The requirement of submission of Encashment Certificate by the foreign nationals at the time of booking of their passage has also been withdrawn forthwith.

vi) [8]Airlines will submit a copy of manifest of Cargo Consolidators together with relative non-negotiable copies of House Airway Bill (quoting reference of original Master Airway Bill issued by them with names of each shippers), "E"/ 'EFE' Form Certificates prescribed vide Para 32 of Chapter 12 of the Manual, and a copy of valid permission letter given by the regulating authorities as stated under Para 1 (iv) ibid to the concerned Authorized Dealer within 120 days after departure of the cargo.

vii) [9]Authorized Dealers will retain all the documents mentioned in sub paragraph (i) alongwith a photocopy of Form 'M' submitted by foreign Airlines/General Sales Agents for on- site inspection by the Banking Inspection Department, State Bank of Pakistan. The original Form 'M' shall be submitted as usual through schedule E-4 while reporting the transaction in the monthly Foreign Exchange Returns.

viii) Any irregularity detected and advised by the State Bank shall be rectified by the concerned airline/GSA within ninety days or the amount under objection will be repatriated or adjusted from subsequent remittance, as applicable.

ix) The Authorized Dealers will ensure submission of statement V-36 to the Statistics & Data Warehouse Department of State Bank of Pakistan before repatriation of surplus/ balance.

4. Remittance of Surplus Passage and Freight Collections by Foreign Shipping Companies.

i) Authorized Dealers may allow remittance of surplus passage and freight collections of those foreign shipping companies/agents which are keeping their collections with them, on submission of application alongwith the following documents: -

a. A copy of F.P. Statement (Appendix V-43).

b. Import/Export freight manifests.

[8] FE Circular No. 19 dated December 16, 2002.
[9] FE Circular No. 23 dated December 31, 2002.

c. A copy of each bill of lading issued in respect of export on freight pre-paid basis, alongwith Authorized Dealers certificates as stated in paragraph 1.

d. Passage Statement (Appendix V-38) alongwith photocopies of ticket coupons and other documents prescribed in Chapter 17.

e. Statement of Passage/freight bookings earlier made on credit now realized (Appendix V-44).

f. Disbursement Statements (Appendix V-45).

g. Cancellation/Refund Statement (Appendix V-41).

h. Statement of outstanding passage/freight bookings on credit (Appendix V-46).

i. Authenticated copy of the charter party if the vessel calling at the ports in Pakistan has been chartered by the principals of the shipping agents in Pakistan.

j. A copy of manifest of Cargo Consolidators together with relative non-negotiable copies of House Bill of Lading (quoting reference of original Master Bill of Lading issued by them with names of each shippers), "E"/ 'EFE' Form Certificates prescribed vide Para 32 of Chapter 12 of the Manual, Encashment Certificate where freight is paid in foreign exchange separately and a copy of valid permission letter given by the [10]regulating authorities as stated under Para 1 (iv) ibid.

k. A copy of encashment certificate in respect of inward remittance.

l. Auditors' certificate showing payment of income tax, or exemption certificate given by the Revenue authorities.

m. In the case of agents, a copy of the valid permission letter given by the [10]regulating authorities as stated under Para 1 (iv) ibid for acting on behalf of the foreign principal.

n. An undertaking to repatriate back to Pakistan, the amount found by the State Bank, on post-facto checking, to have been remitted in excess of the entitlement.

ii) Authorized Dealers will allow remittance of surplus passage and freight collections plus inward remittance, to the extent of amounts of passage and freight actually realized less disbursements, refunds, and income tax paid/payable. No remittance is to be allowed in excess of the balance available in the account, as it is not permissible to make remittances out of borrowed funds.

[10] FE Circular No. 19 dated December 16, 2002.

iii) [11]Authorized Dealers will retain all the documents mentioned in sub paragraph (i) alongwith a photocopy of Form 'M' submitted by foreign shipping companies/shipping agents for on-site inspection by the Banking Inspection Department, State Bank of Pakistan. The original Form 'M' shall be submitted as usual through schedule E-4 while reporting the transaction in the monthly Foreign Exchange Returns.

iv) Any irregularity detected and advised by the State Bank shall be rectified by the concerned shipping company/agent within ninety days or the amount under objection will be repatriated or adjusted from subsequent remittance, as applicable.

v) The Authorized Dealers will ensure submission of statement V-37 to the Statistics & Data Warehouse Department of State Bank of Pakistan before repatriation of surplus/ balance.

5. Remittance of Freight Charges by Freight Forwarders/Consolidators.[12]

(i) As declared under the Trade Policy 2005-06, freight forwarders were allowed remittance of locally collected freight charges to their principals abroad. However, such remittances would require SBP's prior approval. In order to further facilitate the industry, Authorized Dealers are allowed to effect remittances of surplus freight directly on behalf of concerned freight forwarder/consolidators on a monthly basis, after verification of documentary evidence in support of the remittance.

In order to mitigate inherent risks and establish genuineness of the transactions, Authorized Dealer will require verification through the following documents at the time of allowing monthly remittances:

a) Client's letter, indicating purpose of remittance, particulars of the beneficiary and beneficiary's bank.

b) Agency Agreement with counterpart abroad (Annually).

c) NTN and PIFFA Membership Certificates (Annually).

d) Certificate from a practicing Chartered Accountancy firm to the effect that the amount of remittance applied for has been verified with reference to authenticated copies of prepaid Master Airway Bill/Master Bill of Lading with the related House Airway Bill /House Bill of Lading, cargo manifests and billed invoices from counterparts abroad, and had been found correct.

e) M – Form.

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[11] FE Circular No. 23 dated December 31, 2002.
[12] FE Circular No. 06 dated May 15, 2006.

f) Statement of Freight collected and/or payable abroad against Shipments made during the month (Appendix V-47).

g) Statement of Freight Payable against Imports on Consolidated basis by Air/ Sea during the month (Appendix V-48).

h) Monthly Statement of Air/Sea Cargo Consolidation (Appendix V-49).

Authorized Dealers will report all such transactions to Foreign Exchange Operations Department (FEOD), SBP-Banking Services Corporation, Karachi with copies of supporting documents obtained from the Freight Forwarders/Consolidators by the 15th of the following month. They will also retain copies of all such supporting documents at their remitting branches for SBP inspection as and when required or called for.

(ii) [13] The Shipping Companies/Air lines or their authorized agents may issue Master Bill of Lading (MBL) /Master Airway Bills (MAWB) in the name of the Freight Forwarders (as shippers) only if the same conforms to the following:

a). Name of the Freight Forwarders/Consolidators will appear in shipper column of MBL followed by the wording "on behalf of exporter (s)" along with their names, related House Bill of Ladings/Airway Bills' numbers and dates. The above information may either be provided on the face of the MBL/MAWB or as an attachment with the notation on the MBL/MAWB as per the "attachment which constitutes an integral part of the MBL/MAWB".

b). Name of the counterpart of Freight Forwarders/Consolidators will appear in consignee column of MBL.

c). Name of the counterpart of Freight Forwarders/Consolidators will appear as notify party column of MBL.

d) (i) In case of FCL/FCL CY/CY shipments, both MBL and HBL will be attached and sent through bank for the receiver to retire and Freight Forwarders/Consolidators to be given for delivery. Shipping Lines will not deliver cargo unless shipping line's MBL is surrendered at destination.

(ii) In case of LCL shipments, the cargo will be released/delivered to the Freight Forwarders' counterpart at the port of discharge who will release/deliver the goods against a duly endorsed HBL only.

e). In the body of the MBL following may be mentioned:

i). Goods Description.
ii). E-Form Number & date of issue.

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[13] FE Circular No. 02 dated April 14, 2010.

iii). Corresponding HBL number issued against carrier's B/L.
iv). Actual Importer at destination.

f). Under no circumstances, the freight forwarders/consolidator/their agents or agents of shipping Company/airline may surrender MBL/MAWB to the carrier/agent in Pakistan and must instead be presented to the carrier by the Overseas Freight Forwarder/Agents at the destination/port of discharge.

Further, in the context of related regulations and undertaking on Form 'E', the exporters/banks before carrying out transactions with their counterparts, freight forwarders, etc. should exercise due diligence/take necessary precautions to mitigate allied risks while making such arrangements.

6. General Average Payments.

i) Applications for remittance of general average collected from consignees in Pakistan shall be made by the shipping companies/shipping agents on Form 'M' accompanied by the following information/documents:-

a) Circular of Insurance Association regarding general average.

b) N.O.C. from the Insurance Association and National Insurance Company Limited about the remittance of the amount of the general average.

c) The amounts collected from each individual consignee.

d) List of cargo subject to general average.

e) The general average bonds covering the collections.

f) General Average Award.

Authorized Dealers may allow remittances on the basis of these documents and attach the same with the 'M' form, while reporting the transactions in their monthly Foreign Exchange Returns.

ii) Pending General Average Award, the Authorized Dealers may also issue bank guarantees in favour of the General Average Adjusters on submission of the information documents referred to from (a) to (e) above. Remittances under the guarantees will, however, be allowed by them on production of General Average Award.

iii) In the case of exports from Pakistan, if general average is declared and if the general average claim is paid by the overseas importer, the insurance company in Pakistan, with whom the goods were insured prior to shipment from Pakistan may be allowed to reimburse the amount to the overseas importer on production of the following documents, which should be submitted to the State Bank as mentioned in sub-para (i):

a) Export Realization Certificate.

b) All shipping documents viz. a copy of the bill of lading, invoice, insurance policy etc.

c) Average deposit receipt duly endorsed by the overseas importer in favour of the insurance company in Pakistan.

d) Letter of subrogation.

e) An undertaking to render the account on finalization of the award.

7. Operating Expenses of Pakistani Shipping Companies/Airlines.

Pakistani shipping companies and airlines are required to submit to Statistics & Data Warehouse Department of the State Bank a monthly statement of their earnings and expenditure at foreign ports in the prescribed forms (Appendices V-50 and V-51) supported by passage/ freight manifest for receipts and by vouchers in respect of payments [14]at sdsa@sbp.org.pk by 18th of the following month. They can make disbursements in respect of approved transactions only out of their receipts at foreign ports and they are under obligation to regularly repatriate the excess collections, if any, to Pakistan and attach the bank encashment certificates with the statement. In case the collections fall short of the disbursements, the shipping companies/airlines should make an application to the State Bank for remittance of the deficit or for meeting bonafide individual items of disbursements like crew wages, bunkering charges, port dues, food charges etc. Applications for repair of ships/aircrafts and purchase of durable stores other than food provisions should, however, be routed through the Ministry of Communications in the case of shipping companies and the Ministry of Defence in the case of airlines.

[15]Authorized Dealers can make remittances on account of lease rentals by the Airlines incorporated in Pakistan upto the guaranteed hours. However, if the amount exceeds the guaranteed hours, Authorized Dealers would refer the case to the Director, Foreign Exchange Operations Department, SBP-Banking Services Corporation for necessary approval by submitting the following documents:

a) Attested copy of valid agreement
b) Original invoices
c) An audited statement showing the opening balance, earning, expenditure and net amount (surplus/deficit)

The Authorized Dealers will ensure submission of statements V-50 and V-51 to the Statistics & Data Warehouse Department of State Bank of Pakistan before processing inward/ outward remittances.

8. Charter of Foreign Ships and Aircrafts.

[14] FE Circulars No. 06 & 07 dated August 15 & 18, 2016
[15] FE Circular No. 08 dated June 22, 2004.

i) [16] Ship owners, charterers and operators and/or owners, charterers, and operators of all floating crafts including tugs, dredgers, survey vessels and other specialized crafts may open and operate foreign currency accounts in Pakistan. They will be permitted to operate these accounts for both receipts and payments of foreign exchange. Such foreign currency account holders may retain their surplus earnings in these accounts and shall surrender the same within three months of closing of the financial year. Foreign partners in Pakistan based Joint Venture companies may receive their share of profits after tax. Operation of such account will be subject to the following conditions:

a) Cash deposits and cash withdrawals from these Accounts will not be permitted.

b) All reporting requirements that are applicable for existing Foreign Currency Accounts maintained by the Shipping Companies abroad would also be applicable to those special Foreign Currency Accounts.

c) All withdrawals in Pak Rupees will be at Interbank Rate.

(ii) Persons or firms intending to hire on charter non-resident owned ships or aircrafts should apply in the first instance to the Ministry of Communications for the charter of ships and the Ministry of Defence for the charter of aircrafts. Applications for remittance of charter hire should be made to the State Bank on Form 'M' supported by the Government sanction and a copy of the Charter Party Agreement and an undertaking that detailed account of all disbursements made for the account of the owners will be submitted to the State Bank within 15 days of the expiry of the agreement. If the application is approved, a permit will be issued to cover any advance payments required under the terms of the charter but the remittance of the total amount agreed upon will not normally be sanctioned until the final account of disbursements is made available to the State Bank. The charterers should seek from the owners' periodical reimbursement of the disbursements made on their behalf or have them adjusted from their remittances of charter hire.

9. Export Claims.

Applications from exporters for remittance of various types of claims on exports should be made on Form 'M' accompanied by a declaration in the prescribed form (Appendix V-51A) duly supported by the following documents: -

(i) QUALITY CLAIMS.

a) Proceeds Realization Certificate.

b) Debit Note from the buyer.

c) Test Report from a recognized Test House or an Arbitration Certificate from an approved body of arbitrators.

(ii) AMICABLE SETTLEMENT.

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[16] FE Circular No. 05 dated February 19, 2002.

(a) Proceeds Realization Certificate.

(b) Debit Note from the buyer.

(c) Certificate from the Chamber of Commerce in the country of import.

(d) Correspondence in original exchanged between the shippers and the buyers. Original cables should be produced if cable charges are included in the Debit Note.

(iii) COMMISSION (If not paid in terms of the authority delegated vide Chapter 12).

(a) Proceeds Realization Certificate.

(b) Debit Note.

(c) Agreement regarding payment of Commission. Shippers should furnish a copy of the Export Price Check (EPC) form registered with the relevant authority, if the goods are subject to "Export Price Check" procedure. The form should show the rate of commission.

(iv) NON-FULFILMENT OF EXPORT CONTRACT EITHER IN FULL OR IN PART.

a) Debit Note from the buyer.

b) Contract in original.

c) Arbitration award from a recognized arbitrator.

d) Correspondence in original exchanged between the buyer and the shipper.

e) In case of claim for partial non-shipment, Proceeds Realization Certificate for the quantity shipped.

(v) INSPECTION FEE, ARBITRATION FEE, SURVEY AND ANALYSIS FEE, CONTROLLING FEE, WEIGHING CHARGES ETC.

(a) Proceeds Realization Certificate.

(b) Debit Note from the institution claiming fees.

(c) Report from the above institution in support of the claim.

(vi) MISCELLANEOUS CLAIMS LIKE REFUND OF EXPORT DUTY ETC.

a) Proceeds Realization Certificate.

b) Debit Note.

c) Contract.

d) Correspondence.

(vii) LOSS IN WEIGHT.

a) Proceeds Realization Certificate and Export Invoice.

b) Debit Note from the buyers.

c) Weighment Certificate/Note from a recognized weighing body and Controller's Report.

Applications in respect of items (v), (vi) and (vii) may be approved by the Authorized Dealers and the prescribed documents surrendered to the SBP-Banking Services Corporation alongwith the monthly Foreign Exchange Returns. Applications in respect of items (i), (ii), (iii) and (iv) will, however, require approval from the State Bank.

10. Guarantees for Payment of Claims.

i) In case of export of cotton only, Authorized Dealers may extend guarantees in favour of overseas importers for payment of claim, provided the following conditions are fulfilled:

a) Advance payment or confirmed and irrevocable letter of credit for hundred percent value has been received in favour of the exporter.

b) The amount of the guarantee does not exceed 5% of the total invoice value covered by the advance payment or confirmed and irrevocable letter of credit.

c) The guarantee covers shipment of cotton only.

d) The guarantee is valid for a maximum period of 30 days after the last date of discharge of cotton in the country of import.

e) The guarantee provides for payment of claims on submission of Liverpool Cotton Association Arbitration Award in case of exports to U.K. and of internationally known associations whose names are approved by the State Bank in the case of export to other countries.

ii) Authorized Dealers may also allow remittance of claims falling within the terms of these guarantees provided the amount is fully covered by the Arbitration Award of the respective association. While reporting these remittances to the State Bank, the Authorized Dealers should enclose with the form 'M': -

a) Relative Arbitration Award,

b) Proceeds Realization Certificate, and

c) Certificate confirming the date of discharge of cotton in the country of import.

11. [17]Acquisition of Services from Abroad.

i) The firms or companies in Pakistan, intending to acquire any type of service in Pakistan from abroad for any purpose, excluding those services for which specific foreign exchange related

[17] FE Circular No. 05 dated November 12, 2019.

instructions are issued by SBP, are required to obtain prior permission, from foreign exchange perspective, from Foreign Exchange Operations Department (FEOD), SBP-BSC.

ii) However, as an exception to the above para i, such services can be acquired from abroad without prior permission of FEOD, SBP-BSC, if total value, of a specific service to be acquired from abroad, does not exceed USD 10,000/- (or equivalent in other currencies), OR in case of recurring payments, the underlying service agreement/ letter of engagement, etc. is not more than five consecutive years and remittance(s) does not exceed USD 10,000/- (or equivalent in other currencies) for each year. The Authorized Dealers are allowed to effect remittance in such cases, based on the documents mentioned at para v below, after fulfilling their responsibilities mentioned at para xiii below, and subject to meeting all other requirements.

iii) Moreover, acquisition of services of agents abroad for export of goods from Pakistan will not require prior permission of FEOD, SBP-BSC.

iv) All applications, seeking prior permission, for acknowledgement of service agreement/ letter of engagement, etc. and designation of authorized dealer for effecting all related remittances in future, shall be submitted to the Director, FEOD, SBP-BSC, through an authorized dealer, which the applicant wants to be designated.

v) Following documents will be submitted by the applicant to Authorized Dealer along with the application:

a) Copy of draft service agreement/ letter of engagement, etc. covering all necessary clauses of names/ addresses of both parties, complete scope of services, duration, total contract price, terms of payment, schedule of remittances, milestones to achieve, arbitration, and likewise; provided that any late payment surcharge/ mark-up is not agreed therein,

b) Documentary proof from the applicant for being active tax filer.

c) Economic rationale justifying the acquisition of the required services from abroad, from applicant's business perspective along with potential benefits for country.

d) NOC or certificate from related regulatory body (if exists) for acquiring the requisite specific services from abroad, e.g. Pakistan Telecommunication Authority (PTA), Pakistan Engineering Council (PEC), Pakistan Software Export Board (PSEB), Pakistan Council of Architects & Town Planners (PCATP), etc.

e) Justification i.e. valid and cogent arguments with related evidences, for acquiring the specific services from abroad, instead of acquiring from the local sources.

f) In case the applicant is a financial institution or a bank or an authorized dealer itself, then the required documentation will also include copy of internal approval from the appropriate approving authority for the underlying arrangement of services from abroad, duly supported by the relevant regulatory framework (if applicable).

vi) Authorized Dealer will forward all the above mentioned documents to FEOD, SBP-BSC along with its analysis, rationale/justification and specific recommendation supporting its customer's (applicant's) request, seeking prior permission for acquiring services from abroad and acknowledgement of the underlying agreement/ letter of engagement, etc.

vii) In the case where underlying service agreement/ letter of engagement, etc. requires payment (fully or partly) in advance:

a) The amount of advance payment will be repatriated, if the provision of services is not initiated, within 120 days from the date of its remittance. An undertaking by the applicant shall also be submitted with the application, in this regard.

b) The designated Authorized Dealer will be responsible to obtain Confirmation from applicant in the form of 'Certificate of Commencement of Services' and subsequently the 'Certificate of Completion of Services acquired from abroad' duly notarized on Stamp Paper of appropriate value as per the legal requirement.

c) In case the provision of services is not initiated and the amount of advance payment is not repatriated, within 120 days (from the date of remittance of advance payment), OR the services are not completely rendered within the time period as stipulated in service agreement/ letter of engagement, etc.; the designated Authorized Dealer will report all such cases to FEOD, SBP-BSC on the 10th day of following month as per prescribed format (Appendix V-145). FEOD, SBP-BSC may initiate regulatory action against the remitter through Foreign Exchange Adjudication Department, SBP-BSC, under the Act.

d) The designated Authorized Dealer will ensure that no further remittances under the acknowledged service agreement/ letter of engagement, etc. is effected until the issue of advance payment is resolved.

viii) In case prior permission is granted and the underlying service agreement/ letter of engagement, etc. is acknowledged, FEOD, SBP-BSC shall not be construed as a party thereto. Further, adherence to all laws, rules and regulations shall be responsibility of the parties to the service agreement/ letter of engagement, etc.

ix) Once prior permission is granted, the concerned Authorized Dealer is designated and underlying service agreement/ letter of engagement, etc. is acknowledged by FEOD, SBP-BSC, the designated Authorized Dealer may allow remittances or establish letter of credit for payments, on production of beneficiary's service invoices/bills duly certified by the applicant in Pakistan, in accordance with the underlying acknowledged service agreement/ letter of engagement, etc. All the matters related to such letters of credit (types, opening, extension, amendment, time frame, method of payments, etc.) shall be dealt as per the relevant provisions of Chapter 13 (Imports) of the Foreign Exchange Manual.

x) The designated Authorized Dealer will obtain copy of underlying acknowledged service agreement/ letter of engagement, etc. duly signed and stamped by the contracting parties, before making any payment/ remittance in favor of the service provider.

xi) In case the agreement is not executed within 60 days, from the date of its acknowledgement, the Authorized Dealer will report its status to FEOD, SBP-BSC.

xii) Any subsequent amendment in the underlying acknowledged service agreement/ letter of engagement, etc. will require prior permission of FEOD, SBP-BSC.

xiii) While processing the transaction, Authorized Dealer shall be responsible to:

a) Take all possible measures to verify the bona fides of the applicant and genuineness of transaction and to exercise due diligence for all submissions of the applicant.

b) Ensure compliance with the applicable AML/CFT laws, regulations and guidelines while effecting outward remittances, as per the service agreement/ letter of engagement, etc.

c) Ensure that the payment, being made is in accordance with the underlying service agreement/ letter of engagement, etc.

d) Ensure to obtain 'Certificate of Completion of Services acquired from abroad' duly notarized on the Stamp Paper of appropriate value as per the legal requirement, before effecting remittance. However, in case of advance payment, 'Certificate of Commencement of Services' shall be obtained within 120 days of its remittance, and 'Certificate of Completion of Services' shall be obtained certifying that the services have been completely acquired within the time period stipulated under the service agreement/ letter of engagement, etc.

e) Ensure repatriation of advance payment, in case the provision of services is not initiated within 120 days from the date of its remittance, or the services are not completely rendered within the time period as stipulated in the acknowledged service agreement/ letter of engagement, etc.

f) Deduct all applicable taxes (if any) while effecting each outward remittance as per the service agreement/ letter of engagement, etc.

g) Ensure compliance each of the terms and conditions/ instructions of FEOD, SBP-BSC including follow-up, where applicable.

h) Maintain applicant wise documents, including record of remittance(s) effected by it.

xiv) Incomplete requests shall not be considered for acknowledgement/designation by FEOD, SBP-BSC.

xv) The service agreements/letter of engagements, etc. which had already been signed at the time of issuance of above instructions, are required to be submitted to FEOD, SBP-BSC for acknowledgment within six months from the date of issuance of these instructions (November 12, 2019) or before the remittance/payment, thereunder, becomes due for payment, whichever is earlier.

12. Remittance of Royalty/Franchise and Technical Fees.

(i) Royalty and Technical Fee in the Manufacturing Sector has been defined as under:-

a) Definition of Royalty: Royalty is a fee paid by a local firm to the foreign collaborator in consideration of "License to use the foreign manufacturers' patent/brand name for marketing the product(s)."

b) Definition of Technical Fee: It is a fee paid by the local firm to the foreign collaborator in consideration of:-

aa) Engineering and Technical Services including assistance on manufacturing process, testing and quality control, assistance by way of making available patented process and/or secret know-how and right to avail of the technical/confidential information resulting from continuous technical research and development etc; and

bb) Technical training of local personnel.

NOTE:

No technical fee shall be allowed for simple conventional process goods which are being produced in the country without foreign technical collaboration.

ii) The remittance of Royalty/Franchise and Technical Fee or Service Charges in Agriculture, Social, Infrastructure and Service Sector projects including international food chains may be allowed according to the following guidelines:-

(a) The initial lump sum fee payable to the foreign investor/the party providing technical expertise and/or allowing use of their brand name, should not exceed US$ 100,000/- irrespective of the number of outlets under one franchise.

(b) A maximum of 5% remittance of net sales (excluding sales tax) in the food sector may be allowed as Franchise Fee only for those items, which are core items of the franchise and are the specialties of the trade name. The payment of such fees will be allowed on monthly basis. No item will be eligible for twice payment of Royalty/Franchise Fee. In other words, the payment of Royalty/Franchise Fee shall not be admissible for those items whose franchise is not held by the food chains and/or which are sold under some other brand name e.g. soft drinks etc.

(c) Percentage/amount of fees etc., for other non-manufacturing projects may also be upto the maximum of 5% of net sales (excluding sales tax).

(d) Initial period for which fees is to be allowed to projects in non-manufacturing sectors, including international food chains, should not exceed 5 years. Subsequent extension in time period will be considered and allowed by the Government/State Bank of Pakistan, provided these projects also make investment in allied upstream projects.

iii) [18]The remittance of Royalty/Franchise and Technical Fee or Commission/Service Charges for the financial sector may be allowed on the following guidelines:

a) The applications for remittances of such payments by the Commercial Banks as well as Non-Banking Financial Institutes (NBFIs) including leasing/modaraba companies and investment banks, to the foreign collaborators in respect of their branded financial products/services within the area of their authorized business, would be processed and approved by Foreign Exchange Operations Department SBP-Banking Services Corporation on a case to case basis, on submission of an attested copy of the agreement and other relevant information/documents.

b) The one time lump sum upfront Royalty/Technical Fee/Franchise Fee should not exceed US$500,000/-. This would be allowed from the Interbank Market.

c) Continuing royalty payments, service/technical charges/commission or handling charges/any other directly related charges not exceeding 0.25% in aggregate of customers' billing net of taxes/surcharges would be allowed which would either be recovered from the customers or met through the financial institution's own resources. No foreign exchange would be provided/ utilized for this purpose from the interbank market.

d) Permission for standby LC/guarantee, if required, would be granted on the merit of each case.

iv) Upon execution of an agreement for transfer of technology with foreign collaborator, the local firm engaged in manufacturing as stated in sub-para (i) or operating in the non-manufacturing sectors as stated in sub-para (ii) will designate any of the Authorized Dealers in foreign exchange in Pakistan through whom payments under the agreement will be made and send an authenticated copy of the agreement to the Exchange Policy Department (Investment Division), SBP, Karachi through the designated bank within 30 days from the date of its execution. Application for acknowledgement will be made on the prescribed form (Appendix V-52). The State Bank will record the agreement if it conforms to the foregoing definitions of Royalty/Franchise and Technical Fees and send an acknowledgement or return it if the same is not in accord therewith.

[18] FE Circular No. 14 dated October 03, 2002.

v) Remittance of Royalty/Franchise and Technical Fees may be allowed by the Authorized Dealer designated for the purpose, without the prior approval of the State Bank subject to the following:-

a) Application for remittance of Royalty/Franchise and Technical Fees is submitted by the firm concerned in the prescribed form (Appendix V-53) in triplicate alongwith a copy of the acknowledgement letter issued by the State Bank.

b) The correctness of the information furnished in the application (Appendix V-53) must be certified by the auditors of the firm in the space provided for the purpose. An additional statement showing calculation of Royalty/Franchise and Technical Fees duly certified by the auditors should also be enclosed with the application.

c) Payment of income tax supported by a certificate from the auditors of the paying firm. In case it is claimed that the amount of Royalty/Franchise and Technical Fees is exempt from levy of Pakistan taxes, the applicant should invariably produce a certificate to this effect from the competent tax authority and attested copy of the said certificate should be enclosed with the prescribed application to be sent alongwith other relevant documents while reporting the transaction to the Exchange Policy Department.

vi) Authorized Dealers will maintain company-wise record of remittances allowed by them on the above account so as to facilitate inspection by the State Bank's Inspection Teams.

13. Technical Services and Consultancy Agreements and Engagement of Foreign Technicians.

(i) Foreign experts/technicians may be employed by the local firms in private sector without requiring approval by any Government agency for rendering such technical services as supervision of installation, commissioning of plant and training of personnel.

(ii) Authorized Dealers may accordingly allow remittances for engagement of foreign experts/technicians to foreign firms or establish letters of credit available for payment of such charges on production of beneficiary's service invoices/bills duly certified by the employers in Pakistan. While reporting to the State Bank the remittances effected under this facility in the monthly foreign exchange returns, the Authorized Dealers will attach the following documents with relative Form 'M':-

(a) Copy of the service agreement entered into with the foreign firms.

(b) Beneficiary's service invoices/bills duly certified by the employers in Pakistan.

(iii) It will be the exclusive responsibility of the Authorized Dealers to ensure that income tax has been correctly deducted from the amount payable to the foreign beneficiaries and paid to the income tax authorities or exemption certificate from the income tax authorities is called and recorded with the Authorized Dealers.

14. Remittances by Information Technology Sector.

(i) [19]Authorized Dealers have general permission to release foreign exchange upto a maximum of US$ 100,000/- or equivalent in other currencies per invoice for private sector companies incorporated in Pakistan and [20]those branches of foreign companies which are operating in Pakistan with the permission of Board of Investment to undertake permissible business/commercial activities, pay local taxes and periodically repatriate their profit abroad under Para 15 of this Chapter, for payments of the following charges on account of utilization of Information Technology services, after satisfying themselves with the genuineness and bonafides of the requests through invoices, Government approvals/NOCs/licensing or certifications wherever so required as per the relevant instructions in the Foreign Exchange Manual, and after deducting all applicable taxes:

(a) Satellite Transponder Charges.

(b) International Bandwidth Charges.

(c) International Internet Service Charges.

(d) International Private Line Charges.

(e) Software Licence/Maintenance/Support Fees for proprietary/specialized software.

(f) Subscriptions/payments for access to foreign electronic media and databases.

The above remittances may only be made through a bank designated by the remitters for the purpose under intimation to Exchange Policy Department, State Bank of Pakistan.

(ii) The remittances by the following categories shall, however, continue to be governed under the existing instructions:

(a) Liaison/Project Offices of foreign companies (other than branches of foreign banks)
(b) State Bodies and Enterprises

Application on Form 'M' for such remittances should be submitted to the Director, Exchange Policy Department (Investment Division), SBP, Karachi through an Authorized Dealer alongwith the following:

1. Agreement, if any.
2. Original invoice/demand note.
3. NOC from the concerned authority (viz PTA/Pakistan Software Export Board for an amount above US$ 100,000/- in case of utilization of information technology services).[21]

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[19] FE Circular No. 12 dated July 07, 2004.
[20] FE Circular No. 12 dated July 07, 2004.
[21] Circular Letter No. 02 dated January 06, 2006.

4. Evidence of payment of income tax or exemption certificate from Federal Board of Revenue (FBR).

15. Remittance of Profits by Foreign Banks/Companies.

(i) Applications from branches of foreign banks operating in Pakistan for remittance of profits to their Head Office abroad should be made to the State Bank on Form 'M' duly supported by the following information/documents: -

a) Audited Balance Sheet and Profit & Loss Account of the branch (es) in Pakistan.

b) Tax provision made during the year for (a) the current year and (b) for the prior years along with its computation.

c) A certificate from the auditors in Pakistan that tax provision made in the accounts is sufficient to meet all tax liabilities in Pakistan, or copies of final assessment orders and forms duly certified by the Income Tax Department.

d) Assessment orders for the previous years, if not submitted earlier to the State Bank.

e) Certificate from the auditors showing the liability for staff gratuity as at the close of accounts and provision made there-against. If no provision has been made, reasons thereof.

f) Details of other/miscellaneous income.

g) Amount charged/claimed on account of Head Office expenses for the current year (if not separately shown in the accounts) and the basis of its calculation alongwith Head Office expenses claimed/allowed by the Income Tax Authorities for the preceding 3 years.

h) Provision made in the current year for classified assets.

i) Confirmation to the effect that the amount provided for classified assets is not less than the amount required to be provided on the basis of the Prudential Regulations of the State Bank.

j) Item-wise details of un-realized/accrued income credited to Profit & Loss Account for the year and in the previous year.

k) Item-wise details of un-realized/accrued income of the previous years realized in the current year.

(ii) Applications for remittance of net remittable profits by the branches of foreign companies other than banks, operating in Pakistan to their Head Offices abroad should be submitted on Form 'M' supported by the following information/documents: -

a) Audited Balance Sheet and Profit & Loss Account of the branch(es) in Pakistan.

b) Audited Consolidated Balance Sheet and Profit & Loss Account of the Head Office. If they are not available at the time of making the applications, they should be submitted subsequently.

c) Reconciliation of the Head Office Accounts.

d) Tax provision made during the year for (i) the current year and (ii) prior years alongwith its computation.

e) A certificate from the auditors in Pakistan that tax provision in the accounts is sufficient to meet all tax liabilities in Pakistan or copies of final assessment orders and forms duly certified by the Income Tax Department.

f) Assessment orders for the previous years, if not submitted earlier.

g) Certificate from the auditors showing the liability for staff gratuity as at the close of accounts and provision there against. If no provision has been made, reasons thereof.

h) Details of other/miscellaneous income.

i) Amount charged/claimed on account of Head Office expenses for the current year (if not separately shown in the accounts) and the basis of its calculation alongwith Head Office expenses claimed/allowed by the Income Tax Authorities for the preceding 3 years.

j) Full particulars of additions, if any, made to fixed assets in Pakistan, during the period and the source of funds utilized for financing such additions.

k) The extent to which the proposed remittance will require bank finance.

l) In case the applicant is applying for the first time, documentary evidence to the satisfaction of the State Bank that the applicant firm was in existence and conducting business operations in Pakistan prior to 3rd October, 1963. In respect of those branches of foreign firms and companies which were established in Pakistan on or after 3rd October, 1963, original or photocopy of the letter of the Investment Promotion Bureau/Board of Investment, Government of Pakistan, granting them permission to conduct business operations in Pakistan, should be submitted with the application alongwith other documents.

(iii) A company other than a bank, insurance company, airline and shipping company desiring to avail of the facility of making remittance of profit without prior approval of the State Bank, may approach the Director, Exchange Policy Department (Investment Division), State Bank of Pakistan, Karachi disclosing the name of its banker through whom it would like to make remittance. The State Bank will authorize the bank concerned to effect remittance of profit to the Head Office abroad of the

company subject to verification of the remittable amount in the manner to be prescribed by it. While reporting such remittances, the designated Authorized Dealers will enclose all the relevant documents with the relative Form 'M'.

16. Payment of Dividend to Non-Resident Shareholders.

(i) Authorized Dealers may allow remittance of dividends to non-resident shareholders without the prior approval of the State Bank. For this purpose, each company will designate an Authorized Dealer through whom it proposes to remit dividends to its non-resident shareholders. No Authorized Dealer will effect remittance of dividends under this authority unless it has been authorized by the State Bank to do so in respect of a particular company.

(ii) Each company which wants to avail of the facility of making remittance of dividends without the prior approval of the State Bank, should advise the Director, Exchange Policy Department (Investment Division), State Bank of Pakistan, Karachi the name of its bankers through whom it would like to make remittance. On receipt of nomination of a bank from the company, the State Bank will authorize the bank concerned to effect remittance of dividends, whether interim or final, to the non-resident shareholders of the company without its prior approval.

(iii) Before allowing remittance of dividends, Authorized Dealer must ensure:

a) that the shares are held by the non-residents (other than Indian nationals) under the specific and/or general permission of the State Bank and are registered at their foreign addresses,

b) that the shares in question were not acquired by the non-residents on the basis of their undertaking that they will not claim remittance of dividend and,

c) that the application for remittance of dividend is net of Pakistan tax liability. Authorized Dealers must also ensure that the auditor's certificate to this effect on the application is from a well-known firm of auditors.

(iv) The following documents must be seen by the designated Authorized Dealer before allowing the remittance of dividends: -

a) Application in triplicate in the prescribed form (Appendix V-54) duly certified by the company's auditors. There will be one consolidated application in respect of dividends due to all the non-resident shareholders. Where the company's auditors have not accepted the entitlement in respect of some shareholders, the application may be certified with their reservation and entitlement of others released pending reconciliation. Entitlement in respect of un-resolved cases may be released through a supplementary consolidated application after the matter is finalized.

b) Two certified copies of the audited Annual Profit & Loss Account and Balance Sheet of the company concerned for the year to which the dividend application

pertains or two copies of interim Profit & Loss Account for the period to which interim dividend relates.

c) Certified true copy of the Shareholders'/Directors' resolution declaring the dividend.

d) In case tax exemption is claimed by them/any of the shareholders, a certificate to this effect is invariably produced from the competent tax authorities.

(v) While reporting remittances allowed by them under the above authority in their monthly Exchange Returns, the Authorized Dealers will enclose with the relative Form 'M' a copy of the supporting application (Appendix V-54) together with one copy of audited Annual/Interim Profit and Loss Account and Balance Sheet and certified true copy of the Directors'/ Shareholders' resolution. In cases where shareholders are resident of different countries and remittances are made in different currencies, the remittances will be reported on different 'M' forms under the relative currency statements. Reference to the relative monthly currency statements should be made in column 10 of the application (Appendix V-54) against remittances made in different currencies and the application alongwith its supporting documents should be attached to any of the 'M' forms. Duplicate copy of the application form will be retained by the Authorized Dealer concerned for its record.

(vi) Authorized Dealers also have general permission to allow payment of dividends due to non-residents (other than Indian) holding shares of companies incorporated in Pakistan on non-repatriation basis, by credit to their private non-resident Rupee accounts maintained with them or with other Authorized Dealers. To this end, Authorized Dealers making payment of dividends to non-resident shareholders for credit to their non-resident accounts shall complete the prescribed Form A-7 and forward the same alongwith the payment instruments to the Authorized Dealer which maintains the non-resident Rupee account for credit to the account of the shareholders. The receiving Authorized Dealer will report the transaction in its monthly Exchange Return.

(vii) [22]Authorized Dealers are required to submit electronically monthly statement of remittances of dividends/ profit and disinvestment to non-resident shareholders to the Statistics & Data Warehouse Department of the State Bank of Pakistan on format (Appendix V- 54A) at fca.stat@sbp.org.pk by 5th of the following month. Further, Authorized Dealers should maintain separate company-wise record of payment of dividends made to their non-resident shareholders either by remittance or for credit to their non-resident accounts, as the case may be, under the above general permission so as to facilitate their inspection by the State Bank's Inspection Teams.

(viii) Authorized Dealers should note that it is one of the conditions prescribed in the Investment Policy that foreign investor may temporarily hold 100% shares in the specified newly opened sectors for foreign investment, pending disinvestments of the prescribed percent of investment to residents, subject to the condition that remittance of dividend would be restricted to their investment upto 60% only. They should ensure compliance with this restriction.

17. Export of Dividend Warrants.

[22]EPD Circular Letter No. 14 Dated December 07, 2016

Dividend warrants of companies incorporated in Pakistan can be freely exported to the non-resident shareholders, provided the shares have been issued with the approval of the State Bank and a statement of such non-resident shareholders has been filed with it.

18.(i) Foreign Articles in Pakistani Newspapers and Magazines.

Authorized Dealers may allow remittances at actuals, without prior approval of the State Bank, in respect of articles contributed by non-resident foreigners for publication in Pakistani Newspapers or Magazines, provided a demand note from the non-resident contributors is produced by the publishers of the article to the Authorized Dealers while applying for remittance. Advance remittance may also be allowed subject to the applicant's undertaking to submit the requisite documents in due course.

(ii) Remittances on account of News Feature, News Picture, Syndication Services, Gambles, Comics, Puzzles, Book Reviews etc.

Authorized Dealers may effect remittances, without prior approval of the State Bank, at the request of the publishers of Newspapers and Magazines of repute having large circulation or by local agents of the foreign beneficiaries in Pakistan on account of News Feature Services, News Picture Services, Syndication Services, Gambles, Comics, Puzzles, Book Reviews etc. published in Pakistan Newspapers and Magazines. While effecting remittances, Authorized Dealers shall ensure the following:-

a) Form 'M' has been duly signed by the applicant.

b) A formal letter of request for remittance has been received from the remitting agency in Pakistan.

c) The invoices/demand notes etc. of the foreign beneficiaries are produced in original.

(iii) Remittances of salary/remuneration as well as Telex/Tele fax/Telegram/Telephone Charges to the Overseas Correspondents of Pakistani Newspapers.

Authorized Dealers may allow remittances without prior approval of the State Bank, on account of salary/remuneration as well as Telex/Telegram/Tele fax/Telephone charges in favour of correspondents of Pakistani newspapers posted abroad on production of original demand notes/bills/vouchers.

19. Advertisements in Newspapers and Magazines abroad.

Exchange facility is available to exporters for publishing advertisements in foreign newspapers and magazines without any upper ceiling. Authorized Dealers may allow remittances as indicated above for advertisement charges payable by exporters to newspapers, magazines, etc., abroad without the prior approval of the State Bank on production and examination of the following documents:-

(i) Form 'M' signed by the applicant.

(ii) Invoice/Bill etc., of the beneficiary in original.

(iii) Undertaking from the applicant concerned that he will produce relevant clippings from the newspaper/magazine to them within a period not exceeding three months. These clippings will be retained by the Authorized Dealers for inspection by State Bank's Inspectors.

While effecting the above remittances, Authorized Dealers will ensure that the newspaper/magazine in which the advertisement is proposed to be inserted is of good standing and repute and remittance is made only in the name of the concerned newspaper/magazine. In cases of doubt, reference should be made to the State Bank before effecting the remittance.

20. Bank Charges and Sundries.

Authorized Dealers may, without prior approval of the State Bank, effect remittances to their foreign correspondents etc., to cover payments due to them on account of bank charges, cost of cables and other incidental charges arising in the normal course of authorized business other than imports. All such remittances should be reported to the State Bank on Form 'M'. In cases where bank charges relating to exports are paid by the Authorized Dealers to their foreign correspondents by deduction from the amount of the export bills, they should report the full amount of the export bill as "Purchase" and simultaneously report the deduction as "Sale".

21. Purchase of Tender Forms from abroad.

Authorized Dealers may allow remittances on account of fees for tender forms payable to Government/Semi-Government agencies or a private company or a firm abroad without the prior approval of the State Bank on receipt and examination of the following documents:

i) Form 'M' duly filled in and signed by the applicant.

ii) Newspaper clipping/Pakistan/Foreign Embassy's letter or other supporting documents evidencing floatation of tenders and the cost of tender documents.

22. (i) Registration of Patents and Trade Marks in Foreign Countries.

Authorized Dealers may allow remittances covering fees etc., for registration of patents and trademarks in foreign countries by firms/companies etc., in Pakistan without prior approval of the State Bank on receipt and examination of the following documents:

a) Form 'M' duly signed by the applicant.

b) Debit Notes of the patent attorney/solicitors etc., for the fees for registration of patent/trade mark.

c) Undertaking from the remitter to produce within one month from the date of remittance evidence to the effect that the patent/trade mark has been registered abroad.

It will be the responsibility of Authorized Dealers to ensure that the requisite evidence for registration of patent/trade mark is produced to them within the stipulated period.

(ii) Registration of Exporters of Pharmaceutical products in Foreign Countries.

Authorized Dealers may allow remittances of registration fees by exporters of pharmaceutical products in Pakistan for their registration with the Ministry of Health of a foreign country, without the prior approval of the State Bank, on production of the following documents:

a) Form 'M' duly signed by the applicant.

b) Evidence from the Ministry of Health of the foreign country concerned demanding payment of registration fee.

c) Undertaking from the remitter to produce within 1½ month from the date of remittance, evidence to the effect that the applicant has been registered with the Ministry of Health of the foreign country concerned.

23. Reporting of Remittances.

While reporting remittances to the State Bank allowed by them under paras 12, 18, 19, 20, 21 and 22 in their monthly Exchange Returns, Authorized Dealers will bunch the 'M' forms under each category separately alongwith the supporting documents on the basis of which remittances have been effected by them. The bunch of Forms 'M' with the relative documents must have a covering statement in duplicate as per proforma given below:-

"Covering statement in respect of remittances
allowed during the month of …….
on account of …….
(State purpose)

Sl. No	Name of the Remitter	Name and Address of the beneficiary	Amount remitted in foreign exchange	Equivalent in Rupees	Particulars of document	Remarks if any

All documents on the basis of which exchange facility is allowed by Authorized Dealers must invariably be stamped to indicate that the remittance has been allowed against them.

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CHAPTER 15

INSURANCE BUSINESS

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20. Claims under Foreign Currency Policies covering Imports under Aid/Loan.
21. Claims in respect of Marine Policies covering Exports.
22. Claims under Foreign Currency Policies other than Marine.

23. Reinsurance Business.

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25. Remittance under Reinsurance Business.

26. Foreign Currency Accounts of Pakistani Insurance Companies.

27. Transfer of surplus Funds of Marine and General Business by Foreign Insurance Companies.

CHAPTER 15

INSURANCE BUSINESS

1. General.

The Exchange regulations governing insurance business entered into in Pakistan are set out in this chapter. Branches and agencies in Pakistan of insurance companies whose head offices are situated abroad are, for Exchange purposes, subject to the same regulations as insurance companies registered in Pakistan.

2. Issue of Life Policies to Pakistanis.

Insurance policies on the lives of Pakistanis resident in Pakistan can be issued only in Rupees.

3. Issue of Policies to Foreigners residing in Pakistan.

Policies on the lives of foreign nationals resident in Pakistan may be issued in Rupees. State Bank will permit conversion of such Rupee policies into foreign currency policies and consequential transfer of actuarial reserves as also remittance of maturity proceeds, as the case may be, provided the premia in Rupees is paid by them out of their genuine savings which are otherwise remittable. Similar facility is also available to diplomats accredited to Pakistan and expatriate employees of international organizations provided premia in Rupees is paid by them out of their convertible Rupee accounts.

4. Issue of Foreign Currency Policies.

Foreign currency policies may be issued on the lives of foreign nationals where premia is paid by them in foreign exchange or out of remittable Rupee funds of the policy holders as laid down in paragraph 18 ibid. Foreign currency policies can also be issued on the lives of Pakistan nationals domiciled abroad provided premium is paid in foreign exchange only.

5. Travel Health Insurance Coverage for the Schengen Countries. [1]

As per directives of the European Union, travelers intending to visit all the Schengen Countries are required to invariably show adequate proof of health/medical insurance policy to cover them in the country of visit. Accordingly, in order to facilitate Pakistani travelers to meet the guidelines for issuance of travel visa to Schengen Countries, insurance companies are allowed to issue health/medical policy in foreign currency subject to following conditions:

i) These policies will be issued only in favor of travelers to Schengen Countries for a period covering the stay of the visitors.

ii) Though the policy will be denominated in foreign currency, the premia will be payable in PKR.

[1] FE Circular No. 8 dated 01.08.2005.

iii) In case of settlement of claim, insurance companies will be allowed to remit the funds abroad through interbank.

Authorized Dealers may allow remittance of claims arising under the above policies on submission of applications accompanied by the following documents:

a) Application on Form 'M' alongwith the declaration in the prescribed form (Appendix V-55).
b) Copy of Invoice/Bill of Hospital
c) Copy of Policy

6. Premia on Rupee Policies held by Pakistanis Resident abroad.

Premia on Rupee life policies held by Pakistanis resident abroad must be received either by remittance from abroad or out of Rupees held in the non-resident account of the policy holder.

7. Assignment.

Rupee Policies cannot be assigned by a resident in Pakistan to a non-resident except with the prior approval of the State Bank. Foreign currency policies held by foreign nationals may, however, be assigned to non-residents without State Bank's approval.

8. Payment of Claims – Rupee Policies.

The maturity proceeds or surrender value of Rupee policies will be paid in Rupees only. In the case of foreign nationals, the remittance of maturity proceeds/surrender value of Rupee policies held by them, can be allowed only with the prior approval of the State Bank as indicated in preceding paragraph 3. Application for this purpose should be made in the prescribed form (Appendix V-56).

9. Payment of Claims – Foreign Currency Policies.

The maturity proceeds or surrender value of foreign currency policies held by foreign nationals may be paid in rupees or in the currency of the policy. Payment in foreign currency will be made with the prior approval of the State Bank.

10. Export of Policies.

Life and Endowment policies fall within the definition of securities and cannot be taken or sent out of Pakistan without the prior approval of the State Bank. Application for export of life policies should be made to the Exchange Policy Department, giving full description of the policy and reasons for its export.

11. Remittance of Premia on Foreign Currency Policies of Pakistanis.

Pakistanis, who had taken foreign currency policies while residing abroad, are required to declare them to the State Bank on their return to Pakistan. In this connection, reference is invited to the instructions contained in para 15 of Chapter 20. Normally in such cases, the policy holders will be required to repatriate the surrender value of the policy to Pakistan. However, in

cases where the policy is to mature within one year or so, the State Bank will consider allowing remittance of premia subject to the condition that the proceeds of the policy on maturity will be received in Pakistan through banking channel. Application for the purpose should be made in the prescribed form (Appendix V-57).

12. Marine Policies – Exports.

Exports from Pakistan can be insured by the exporters only if the goods are shipped on C.I.F. basis. In respect of shipment on F.O.B. or C & F basis insurance will be arranged by the overseas buyers. Exporters can take out policies only from companies operating in Pakistan, which can be expressed in Rupees or in foreign currency.

13. Marine Policies – Imports.

i) Imports into Pakistan are required compulsorily to be insured in Pakistan with companies operating in Pakistan. Imports can thus be made only on C & F or F.O.B. basis. It is not permissible to issue marine policies covering imports into the country in currencies other than Rupees.

ii) As an exception to the above general rule:

a) National Insurance Company Limited is authorized to issue foreign currency policies against imports financed by P.I.C.I.C./I.D.B.P. and directly by the loan-giving agencies.

b) Sub-authorizations issued under U.S. AID Programme on C.I.F. basis can, at the option of the importers, be utilized for imports from U.S.A. on C.I.F. basis by arranging insurance in the U.S.A.

14. Marine Policies – Shipment between two countries outside Pakistan.

Shipments between two countries outside Pakistan financed by a person or firm in Pakistan with the permission of the State Bank can be insured in Rupees or in foreign currency.

15. Marine Policies – Coastal Shipments.

Coastal shipments between places in Pakistan can be insured in Rupees only.

16. Non-Marine Risks Excluding Life.

i) Insurance cover on non-marine risks (excluding life) inside Pakistan can be issued in Rupees only. Nothing in this paragraph shall affect the operation of the warehouse clause in marine insurance policies.

ii) Insurance cover on assets outside Pakistan owned by residents of Pakistan can be issued in Rupees or in the currency of the country in which the assets are situated.

iii) Insurance cover in respect of personal baggage and valuables in transit of Pakistan nationals can be issued in Rupees only. In respect of foreign nationals, such insurance covers can be written in Rupees or foreign currencies. However, in cases where foreign currency policies are issued to foreign nationals, premia thereon can be collected in foreign exchange only.

iv) House-holders policies can be issued in Rupees only.

v) The issue of personal accident policies is governed by the same conditions as those applicable to life policies.

vi) Policies under the Workmen's Compensation Act and Merchant Shipping Act can be issued in Rupees only.

16A. Issuance of US Dollar denominated Insurance Policies[2].

i) In order to meet the condition of foreign lenders for foreign currency loans to be raised under Para 8, Chapter 19 of FE Manual or for the projects undertaken in Pakistan as part of bilateral agreement between Government of Pakistan and a foreign country/ multilateral agency, resident insurance companies rated at least as "A" by any approved rating agency of Pakistan may issue US Dollar denominated insurance policies on notional basis.

ii) In this regard, the insurance company intending to issue US Dollar denominated insurance policy will submit an application for prior approval to the Director, Exchange Policy Department, State Bank of Pakistan, Karachi through an Authorized Dealer along with an explicit recommendation letter from the Securities & Exchange Commission of Pakistan (SECP) for each proposal.

iii) The terms and conditions governing such insurance covers/policies shall be as follows:

a. The insurance company will receive the premium from the applicant only in equivalent PKR.

b. The payment of claim to the resident company will be made in equivalent PKR, wherever applicable.

c. The insurance company will have the option to get reinsurance from any foreign reinsurer upto 99% of the sum assured.

d. The payment of reinsurance premium by the insurance company will be subject to observance of all applicable rules, regulations contained in this chapter and those issued from time to time.

e. The reinsurance claims to the extent of outstanding liability related to the foreign loans may be paid directly to the foreign lenders by reinsurers. The remaining amount of reinsurance claim will, however, be repatriated into Pakistan and paid to the claimant in equivalent PKR.

f. The insurance policy document/instrument issued by the resident insurance company to the concerned client must disclose, interalia, above mentioned clauses.

17. Premia Collection – Rupee Policies.

[2] FE Circular No. 10 dated 01.11.2017

Premia on policies issued in Rupees to non-residents can be collected by remittance from the country in which the policy holder is resident or out of Rupees held in his non-resident account. Insurers are not permitted to accept payments in Rupees from resident sources.

18. Premia Collection – Foreign Currency Policies.

Premia on foreign currency policies issued by insurance companies in Pakistan, in respect of foreign nationals resident in Pakistan, can be collected out of remittable Rupee funds of the policy holder or through a remittance received from abroad. In respect of foreign nationals residing abroad, the premia can be collected only through a remittance from abroad. As regards Pakistan nationals holding foreign currency policies, premia can be collected in foreign exchange only as laid down in paragraph 4 ibid.

19. Method of Settlement of Claims (Non-Life).

Claims on Rupee policies can be paid in Rupees only even in cases where the beneficiary is a non-resident.

20. Claims under Foreign Currency Policies covering Imports under Aid/Loan.

Claims arising under Foreign Currency policies covering imports under Aid/Loan can be paid by National Insurance Company Limited (NICL) without the prior approval of the State Bank of Pakistan in foreign currency for the replacement of goods damaged or lost in transit. Before making payment of claims in foreign currency, the NICL will obtain from the concerned importers an undertaking to the following effect:

i) The amount of the claims will be utilized only to the extent required for replacement of the goods damaged/lost in transit and any amount un-utilized will be repatriated to Pakistan through the medium of an Authorized Dealer in foreign exchange.

ii) Documentary evidence regarding payment made to the overseas suppliers in respect of goods purchased in replacement shall be submitted to the State Bank.

iii) The documents viz. Invoice relating to shipment duly endorsed by the Authorized Dealer, Bill of Lading, Bill of Entry and Bank's certificate showing repatriation of un-utilized amount, if any, shall be submitted to the State Bank within 4 months from the date of payment to the overseas suppliers.

The National Insurance Company Limited will report the payment of the claims in foreign currency to the SBP-Banking Services Corporation through a monthly statement showing the amount of claims, names and addresses of the importers, number and date and value of the import licences/authorization, if any, against which the goods were originally shipped and names and addresses of the overseas exporters. The statement, alongwith the copies of claim payment advices sent to the respective importers and relative undertaking obtained from them, should be so submitted as to reach the concerned area office of the Foreign Exchange Operations Department by the 7th of the following month.

21. Claims in respect of Marine Policies covering Exports.

i) Claims arising under the policies covering exports from Pakistan are payable to the shippers in cases where the proceeds have not been realized from the overseas importers. Where the payments have been received by the shippers, the claim can be paid to the overseas importers.

ii) Remittance of these claims by Pakistani insurance companies to foreign importers may be allowed by the Authorized Dealers on submission of applications accompanied by the following documents:

a) Application on Form 'M' alongwith the declaration in the prescribed form (Appendix V-55).

b) Claim Note.

c) Policy in original. Duplicate acceptable where original is retained by the Customs authority of the importing country and/or lost and indemnity in lieu of the original.

d) Invoice on CIF basis relating to the shipment.

e) Bill of Lading/Airway Bill/Postal Receipt relating to the shipment.

f) Survey Report/Short Landing Certificate/General Average Adjustment/Short Contents Certificate/No Survey Loss Certificate. Survey is not necessary if claim is not likely to exceed U.S. $100/-.

g) Foreign bank's certificate to the effect that the proceeds relating to the shipment against which claim is made have already been remitted to Pakistan (except in case of general average claim payable to adjusters).

iii) To facilitate prompt payment to overseas claimants, the State Bank will consider requests from Pakistani insurance companies for settlement of such claims by their overseas settling agents through a system of revolving letter of credit. In cases where such permission is given, claims would be scrutinized by the overseas settling agents on the basis of the documents indicated at serial No. (b) to (g) in the preceding sub-paragraph and payments made through revolving letter of credit. The claim documents both in respect of direct remittance and remittance under letter of credit should be submitted to the State Bank alongwith the relative Form ‘M’ while reporting the transaction in the monthly Returns for post facto checking alongwith the declaration in the prescribed form (Appendix V-55).

iv) Foreign insurance companies are required to settle claims in respect of marine policies covering exports through their head offices on the basis of all the above claim documents.

22. Claims under Foreign Currency Policies other than Marine.

Claims on foreign currency policies other than marine can be paid as under:

i) Where the beneficiary is a non-resident, the claim can, with the permission of the State Bank, be paid in the currency in which the policy is issued.

ii) Where the beneficiary is resident in Pakistan, payment of claim can be made in Rupees only for which prior permission of the State Bank is not required. In case, however, the resident beneficiary requires payment in the currency of the policy, application for making such payment should be made to the State Bank giving full reasons as to why he requires payment in foreign currency.

Application for remittance of claim under (i) and (ii) above, should be made on Form 'M' accompanied by the prescribed declaration (Appendix V-55).

23. Reinsurance Business.

Exchange facilities for reinsurance will be given only to branches or offices of insurance companies in Pakistan doing business on their own account. Such facilities will not be given to agents of non-resident companies who book business on account of the non-resident companies.

24. Reinsurance – Life.[3]

Remittance of reinsurance premia both under treaty and facultative cover arising from the life insurance policies is not permissible except in the following cases:

a) Reinsurance premia on policies reinsured before 29th December, 1970.

b) Reinsurance premia on policies issued and reinsured on or after 25th May, 1973 for sums over Rs. 3.5 lacs.

Remittances in respect of (a) and (b) above will be allowed by the State Bank in accordance with the procedure set out in the following paragraph No. 25.

25. Remittance under Reinsurance Business.

Permission may be given by the Authorized Dealers for remittances in respect of reinsurance business effected with or accepted from non-resident companies on the insurance companies submitting to them the following information and documents. Remittances in respect of life re-insurance business will, in addition, be subject to conditions laid down in the preceding paragraph 24:

i) Remittance of premia under Facultative Reinsurance:

a) Applications on Form 'M' accompanied by a declaration in the prescribed form (Appendix V-58).

b) Evidence in the nature of cover note etc., in respect of reinsurance effected.

[3] FE. Circular No. 01 dated January 01, 2003.

c) Certificate from the Controller of Insurance to the effect that the local market has been fully utilized before placing any part of the risk outside the country facultatively.

ii) Settlement of Account under Treaty Reinsurance:

a) Application on Form 'M' accompanied by declaration in the prescribed form (Appendix V-59).

b) A proforma statement of account showing net balance payable/receivable signed by the manager or an authorized officer of the applicant company duly confirmed by the beneficiary.

c) Proceeds Certificate in case any amount of claim has been received in cash and the same is being accounted for through the statement of account.

These documents will be submitted to the SBP-Banking Services Corporation with the monthly Returns.

26. Foreign Currency Accounts of Pakistani Insurance Companies.

Retention of foreign currency received by Pakistani insurance companies is not permissible except with the special permission of the State Bank. Premia collected by them in foreign currency must, therefore, be sold to an Authorized Dealer. There is, however, no objection to the settlement of reinsurance accounts through the non-resident reinsurers.

27. Transfer of Surplus Funds of Marine and General Business by Foreign Insurance Companies.

It is the practice with foreign insurance companies, operating in Pakistan, to settle through their head offices all claims arising under the policies issued by them and payable to non-residents. Similarly claims arising in Pakistan under the policies issued by their head offices are settled by their branches in Pakistan. To facilitate such settlements the local branches of overseas insurance companies are allowed to transfer their surplus funds on quarterly, half-yearly or annual basis. Companies wishing to transfer surplus funds should make an application to the State Bank, through the Authorized Dealer maintaining their account, on Form 'M' supported by:

(i) a no objection certificate from the Controller of Insurance,

(ii) a declaration and statement in the prescribed forms (Appendices V-60 and V-61) signed by the manager or an authorized officer of the remitting branch holding power of attorney, and

(iii) other requisite documents.

CHAPTER 16

PRIVATE REMITTANCES

1. Transfer of Assets - Foreign Nationals retiring from Pakistan.
2. Sale of imported vehicles.
3. Legacies and other Distributions of Assets from the Estate of Deceased Persons.
4. Family Remittance Facilities.
5. Issue of Permits.
6. Family Remittance Facilities - Self-employed Foreign Nationals.
7. Family Remittance Facilities - Foreign Nationals employed by Merchant Navy and Persons of Indo-Pak Origin.
8. Convertible and Non-Convertible Rupee Accounts.
9. United Nations and its Organizations in Pakistan.
10. Issue of Travellers Cheques against Family Maintenance Permits.
11. Subscription to Foreign Magazines, Periodicals etc. and Purchase of Books of a Learned or Technical Nature.
12. Procedure for effecting Remittances.
13. Remittances by Book-sellers/Subscription Agencies on account of Subscription to Foreign Journals and Magazines etc.
14. Import by Actual Users.
15. Membership Fees of Educational, Technical, Professional & Scientific Institutions.
16. Membership Fees of Bonafide Social Clubs etc.
17. Correspondence Courses.
18. Fees for appearing in Examinations held in Pakistan by ICWA, London Institute of Bankers, etc.
19. Other Private Remittances.
20. Method of Reporting the Remittances allowed by Authorized Dealers under the above Authority.

CHAPTER 16

PRIVATE REMITTANCES

1. Transfer of Assets-Foreign Nationals retiring form Pakistan.

Requests for remittance of assets received by the Authorized Dealers from foreign nationals (other than Indian nationals), foreign born wives of Pakistan nationals, persons of Indo-Pakistan origin holding foreign passports and stateless refugees, retiring permanently from Pakistan to their country of permanent domicile or to another country should be referred to the State Bank in the prescribed form (Appendix V-62) alongwith Form 'M' and other supporting documents. The assets include bank balance, sale proceeds of securities and other items including real estate purchased by the applicant out of his genuine savings during his stay in Pakistan. In such cases, the application should be accompanied by the following documents:

(i) (a) In respect of foreign nationals employed in the private sector, a certified true copy of the service contract and approval letter from the Board of Investment/work permit/ work visa, if applicable under the government's Investment Policy.

(b) In respect of persons employed in the public sector, a certified true copy of their contracts with the employing agency.

(c) In the case of self-employed persons carrying on their business or profession in Pakistan e.g. doctors, lawyers, architects, consultants etc., a certified true copy of the permission letter of the Board of Investment. Where a foreign national has been carrying on his business or profession in Pakistan prior to 3rd October, 1963, the permission letter will not be necessary. To this effect, suitable evidence will have to be produced by the applicant to the State Bank.

(ii) A certificate from the employer showing:

(a) Net salary and allowances for each year.

(b) Provident fund and leave salary paid on retirement.

(c) Bonus and other gratuitous payments for each year.

(d) Whether cost of passage for self and family is being paid by the employer.

N.B: The above certificate should cover the period of employment not exceeding ten years counting from the date of retirement from Pakistan.

Where any of the above payments is not covered by the relative service contract, a certified copy of the resolution of the Board of Directors of the company or special sanction of the public sector agency, as the case may be, will be necessary.

In respect of self-employed foreign nationals, instead of employer's certificate, certified true copies of their final income-tax assessment orders for the preceding two years will be required.

(iii) A statement of bank account for the preceding two years prior to the date of the application.

(iv) Bank certificate showing separately the total amount of remittances made on account of (a) family maintenance (b) leave salary and (c) other miscellaneous purposes for the preceding two years.

(v) Statement of sale proceeds realized in respect of locally purchased articles.

(vi) A Statement of sale proceeds of articles imported by the applicant from abroad.

(vii) Authorized Dealer's certificate showing the amount invested and the amount realized from the sale of investments, where the applicant had made investment in N.I.T. Units or other Government Securities for availing of income tax relief.

2. Sale of imported vehicles.

Foreign Diplomatic Missions, Diplomatic Officers, privileged persons/organizations, foreign nationals/contractors/firms etc., doing business or employed in Pakistan, can sell or otherwise dispose of in Pakistan their vehicles, which have been imported into Pakistan for official or personal use, only in accordance with the rules governing such imports. Remittance of sale proceeds will be considered by the State Bank under the prescribed rules.

3. Legacies and other Distributions of Assets from the Estate of Deceased Persons.

Applications covering remittance of legacies and other distributions from estates of deceased persons due to beneficiaries resident outside Pakistan should be referred to the State Bank for consideration. Such applications should be made by letter, which should be accompanied by the following documents and information:

(i) Name, nationality and place of residence of the deceased at the time of his death. If the deceased person was resident of Pakistan, the period of such residence should be stated.

(ii) A copy of the relative clauses in the Will after Probate has been granted or if the deceased died intestate, in the Letters of Administration, in both cases authenticated by a Notary Public, any Court, Judge or Magistrate in Pakistan or in the country of residence of the deceased if he died abroad.

(iii) A full statement of the assets in Pakistan of the deceased together with a copy of the bank account for the preceding two years.

Any amounts which are not allowed to be remitted to the non-resident beneficiaries will be permitted by the State Bank to be credited to a blocked account in the name of the executor or administrator with a bank in Pakistan. If any security, shares and real estate which have been specifically bequeathed to persons resident outside Pakistan are to be transferred to such beneficiaries, the applications should also contain full particulars of such securities, shares and real estate.

4. Family Remittance Facilities.

Foreign nationals, who are resident in and have income in Pakistan, are permitted to make remittances to the country of their domicile out of their current savings, to cover their commitments for family maintenance, insurance premia, educational expenses of their children, legal charges, mortgage payments, loan, interest etc. Such remittances can be made to the extent of the difference between the net income of the applicant and his estimated expenses in Pakistan, as declared by him in the prescribed application form. This facility is, however, not available to Indian and Afghan nationals and foreign-born wives of Pakistan nationals.

5. Issue of Permits.

(i) Permits for monthly remittances may be issued by the Authorized Dealers, without the prior approval of the State Bank, to foreign nationals other than those who are:

a) Self-employed, or
b) employed in Merchant Navy, or
c) of Indo-Pak origin.

Permits will be issued on receipt of declaration from foreign nationals in the prescribed form (Appendix V-63) in duplicate and subject to fulfillment of the following conditions:

aa) The applicant holds a work permit/visa or is employed in a hospital or educational/ charitable institution.

bb) In case the applicant is employed with Government or Semi Government institution, a letter from the Department concerned is produced.

cc) The pay cheque of the applicant is received directly by the Authorized Dealer from the employer for credit to his individual account.

(ii) Permits to eligible applicants will be issued by the Authorized Dealers on a yearly basis. These permits will be non-cumulative. It will, however, be in order for the Authorized Dealers to effect remittance of accumulated amounts upto a maximum of two months. Remittance of accumulations in excess of two months will require prior approval of the State Bank. The

amount remitted each month should be endorsed on the application and after the last remittance is made, the same should be surrendered to the SBP-Banking Services Corporation.

(iii) For renewal, a fresh declaration in duplicate should be obtained by the Authorized Dealers.

(iv) Salary on which remittance entitlement is calculated would exclude monetary value of various facilities such as free house, transport, servants, boarding etc., as also cash payments towards conveyance, entertainment, house rent etc. The term net income signifies gross income of the applicant less all compulsory deductions such as income tax, provident fund and pension fund, house rent and other deductions which are of a fixed nature. Bonus or commission receivable by foreign nationals cannot be added for calculating monthly entitlement in anticipation of the grant of bonus or commission. The computation will be made only after the net amount of bonus or commission has actually been paid by the employer and will be spread over the subsequent twelve months.

(v) Authorized Dealers will keep proper record of these remittances, as this information is needed by the State Bank, when foreign nationals apply for remittance of their savings, on their retirement from Pakistan.

(vi) The original copies of all declaration forms (Appendix V-63) will be sent to the SBP-Banking Services Corporation after effecting the last remittance. Authorized Dealers must, however, ensure that all expired permits are invariably sent to the SBP-Banking Services Corporation promptly.

6. Family Remittance Facilities-Self-employed Foreign Nationals.

In the case of self-employed foreign nationals e.g., doctors, lawyers, architects, consultants etc., remittance permit will be issued by the SBP-Banking Services Corporation. Authorized Dealers should submit applications of such foreign nationals in the prescribed form (Appendix V-63), together with a statement of income for the preceding one year and the latest income-tax assessment order. Foreign nationals, who have been carrying on their business or under-taking independent profession in Pakistan on or after 3rd October, 1963 will be required to produce permission from the Board of Investment. Permission letter will not be necessary in those cases where the foreign nationals have been carrying on their business or profession in Pakistan prior to 3rd October, 1963. In such cases, however, they will have to produce to the SBP-Banking Services Corporation suitable documentary evidence to this effect.

7. Family Remittance Facilities-Foreign Nationals employed by Merchant Navy and Persons of Indo-Pak Origin.

Applications for issue of monthly remittance permits from foreign nationals employed by Pakistan Merchant Navy and from persons of Indo-Pakistan origin holding foreign passports should be forwarded to the SBP-Banking Services Corporation duly supported by necessary documents.

8. Convertible and Non-Convertible Rupee Accounts.

Under the rules, all Diplomatic Missions accredited to Pakistan, their Diplomatic Officers and home-based members of the Mission's staff in Pakistan, as also all international organizations in Pakistan and their expatriate employees, are allowed to maintain two separate Rupee accounts with banks in Pakistan viz. (i) convertible Rupee account and (ii) non-convertible Rupee account. Operations on these accounts are subject to the following rules:

(i) The convertible Rupee account can be credited with the following: -

(a) Foreign exchange received from abroad through normal banking channel.

(b) Foreign exchange encashed in Pakistan with any Authorized Dealer.

(c) Transfer from any other convertible Rupee account.

Other credits to the convertible Rupee accounts would require the prior permission of the State Bank.

The convertible Rupee account can be debited with the following without the permission of the State Bank:-

aa) Payments in foreign exchange abroad.

bb) Credit to any other convertible Rupee account.

cc) Transfer to a non-convertible Rupee account.

dd) Local disbursements.

ee) Issuance of foreign currency travellers cheques and foreign currency notes.

(ii) The non-convertible Rupee account can be credited with the following:-

a) Transfer of funds from convertible Rupee account.

b) Remittances received from abroad through banking channel.

c) Other receipts from authorized sources.

Remittance from a non-convertible Rupee account or transfers therefrom to a convertible Rupee account is not permissible. This account can, however, be debited freely without State Bank's permission for making local payments.

All payments to officials of Foreign Missions and International Organizations are to be made from the convertible Rupee accounts of the Foreign Missions/International Organizations by credit to the convertible Rupee accounts of the said officials maintained with banks. The officials are free to transfer such amounts from their convertible Rupee account to their non-convertible Rupee account as they may consider necessary for meeting their local expenses from time to time.

9. United Nations and its Organizations in Pakistan.

Operations on accounts of United Nations and its Organizations in Pakistan are governed by the instructions contained in para 2 of Chapter 8. The expatriate employees of the United Nations and its Organizations in Pakistan are also governed by the instructions contained in the preceding paragraph 8. However, in their case it will be in order for Authorized Dealers to allow transfer of funds to their convertible Rupee account from the official Rupee accounts of the United Nations Organizations.

10. Issue of Travellers Cheques against Family Maintenance Permits.

Authorized Dealers may issue travellers cheques to a foreign national, holding family maintenance permit or to the members of his family by deduction from his remittance entitlement for that particular month, on production of tickets evidencing the date of their departure from Pakistan within two weeks from the date of issue of travellers cheques.

11. Subscription to Foreign Magazines, Periodicals etc. and Purchase of Books of a Learned or Technical Nature.

Authorized Dealers may allow remittances, without prior approval of the State Bank, for subscription to foreign magazines, periodicals, newspapers etc., and for purchase of books of learned and technical nature as per ceiling prescribed in the Import Policy.

12. Procedure for effecting Remittances.

While effecting remittances Authorized Dealers shall ensure the following:-

(i) Form 'M' has been duly signed by the applicant.

(ii) Remittances are effected only on behalf of their own clients for not more than one copy each of the magazines, periodicals, books etc.

(iii) The invoices, demand notes etc., received from foreign publishers or book-sellers and distributors are addressed to the clients on whose behalf remittance is being made.

(iv) Remittances are made in favour of renowned booksellers, publishers and distributors on account of subscription to well-known foreign magazines, periodicals etc., and books of a learned and technical nature (i.e. non-fiction) only.

(v) Remittances are not made for those magazines, books, journals, etc., whose import is prohibited.

(vi) A declaration by the applicant showing the amount already remitted during the current fiscal year is submitted and remittance is allowed within his entitlement.

13. Remittances by Book-sellers/Subscription Agencies on account of Subscription to Foreign Journals and Magazines etc.

Authorized Dealers may allow remittances by book-sellers/subscription agencies on account of subscriptions collected by them from their individual customers for subscription to foreign newspapers/journals/magazines and import of books of technical and learned nature. In such cases remittances will be allowed by them on the strength of consolidated invoices issued by foreign publishers or book-sellers and distributors, subject to the following procedure:

(i) The book-sellers/subscription agencies in Pakistan should accept payment from their customers only through cheques marked 'Account Payee Only' and deposit the same in a separate account, which they will open with their bankers exclusively for this purpose. Remittances in respect of foreign books and magazines will be made by the Authorized Dealers by debit to this account only.

(ii) Authorized Dealers should make remittances direct to the internationally known publishers and book-sellers only. As an exception, however, remittances may also be made to the subscription agents as specified in Appendix V-64.

(iii) The book-sellers/subscription agencies concerned must be a member of the Pakistan Publishers and Book-sellers Association. The book-sellers/subscription agencies should produce a letter from the Secretary of the Association certifying their membership. This certificate will be kept on record by the Authorized Dealers for inspection by the State Bank.

(iv) Book-sellers/subscription agencies should ensure that parcels/invoices are addressed by the foreign publishers, book-sellers etc., direct to the individual subscribers in Pakistan. In cases where remittances are made on the strength of consolidated invoices, it should be ensured that such invoices are accompanied by statements duly authenticated by the foreign publishers showing the names, addresses etc., of the individual subscribers. However, in cases where the book-sellers/subscription agencies are unable to support the consolidated invoices with the detailed statements at the time of making remittances, the Authorized Dealers may make the remittance, on the basis of an undertaking from the applicant that authenticated copy of the statement will be produced to them within a period of two months from the date of remittance. It will also be the obligation of the concerned Authorized Dealer to ensure that the above statements are filed by respective book-sellers/subscription

agencies with them within the stipulated period. The said statement should be linked with the relative papers and produced to State Bank's Inspecting Team on demand.

14. Import by Actual Users.

[1]Authorized Dealers may approve applications on Form 'M' in connection with import of any importable item or items by actual users on production of the following documents:-

(i) Proforma invoice/debit note in original.

(ii) Declaration of the applicant showing the amounts remitted by him during the current fiscal year including the amount of the present application.

(iii) Declaration that the item/items so imported are for his personal use only.

15. Membership Fees of Educational, Technical, Professional & Scientific Institutions.

Authorized Dealers may approve applications on Form 'M' covering subscriptions or membership fees at actuals to bonafide scientific, technical, professional and educational institutions abroad. [2]The above facility will also be available to institutions/professional bodies in Pakistan with international affiliations. Authorized Dealers may allow remittances on account of membership/affiliation fees payable by a local business/professional entity to the principals abroad. The applications should contain the following particulars:

(i) Name and address of the institution.

(ii) Amount of subscription payable.

(iii) Period for which subscription is valid.

Remittances should be made directly in the name of the scientific, technical, professional and educational institutions/principals abroad.

16. Membership Fees of Bonafide Social Clubs etc.

No foreign exchange will be made available for this purpose.

17. Correspondence Courses.

Authorized Dealers may approve remittances for payment of fee for correspondence courses in actuarial science and for those other courses which prepare students for examinations

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[1] F.E. Circular No. 15 dated August 15, 2003.

[2] F.E. Circular No. 09 dated July 14, 2006.

conducted in Pakistan by professional institutions of repute abroad like ICWA etc. Applications for the purpose should be made on Form 'M' duly supported by a declaration in the prescribed form (Appendix V-65) and the demand note received from abroad.

18. Fees for appearing in Examinations held in Pakistan by ICWA, London Institute of Bankers, etc.

Authorized Dealers may allow remittances on account of fees to be paid by students to foreign professional/educational institutions for appearing in the examinations conducted by such institutions in Pakistan. The above facility also covers fees for all examinations held in Pakistan for entry into universities, institutions and courses of studies abroad for which exchange is otherwise allowed by the State Bank. Remittances for the purpose may be effected by the Authorized Dealers subject to scrutiny of the following documents:

(i) Form 'M' signed by the applicant.

(ii) Demand Note/Examination Fee notice etc., in original.

The remittances are to be effected in the names of the foreign institutions abroad.

19. Other Private Remittances.

Applications for remittances by private individuals for purposes other than those mentioned above should be made to the SBP-Banking Services Corporation on Form 'M'. Details of the purpose of the remittance should be stated in full on Form 'M' and appropriate documentary evidence in support of the application attached thereto. Authorized Dealers should advise all applicants that it is in their interest to state clearly the purpose of the remittances, as a decision on the application can be taken by the SBP-Banking Services Corporation only after considering full facts of each case. Authorized Dealers must satisfy themselves regarding the bonafides of each case through their personal knowledge of the applicant, if any, or evidence which the applicant may be able to produce. After thus satisfying themselves, the Authorized Dealers should certify the application and forward it to the SBP-Banking Services Corporation for consideration. In each case the nationality of the applicant should be stated and if the applicant is not a resident of Pakistan, the name of the country of which he is a resident shall be mentioned. If the applicant is a foreign national, the period of his residence in Pakistan and his future intention in this regard should be clearly spelled out. Particulars of any permit obtained by him for making monthly remittances to his country of domicile should also be indicated.

20. Method of Reporting the Remittances allowed by Authorized Dealers under the above Authority.

While reporting to the SBP-Banking Services Corporation remittances allowed by them under the general authority delegated to them in this chapter in their monthly exchange returns, the Authorized Dealers will bunch Forms 'M' under each category separately alongwith the prescribed supporting documents in each case on the basis of which the remittances in question have been effected.

Each bunch of Forms 'M' with the relative documents must have a covering statement in duplicate as per proforma given below:-

Covering Statement in respect of Remittances allowed during the month..…...…….....…… for …….....…….

Sl. No.	Name of the remitter.	Name & address of beneficiary.	Amount remitted in foreign exchange.	Equivalent in Rupees.

Before forwarding the prescribed documents to the SBP-Banking Services Corporation alongwith the covering statements referred to above, the Authorized Dealers should see that these are invariably branded with an appropriate stamp indicating that remittances thereagainst have already been effected.

CHAPTER 17

TRAVEL

1. General.
2. Persons from whom applications will be received by the State Bank.
3. Applications for grant of State Bank's recognition.
4. Travel to countries other than Afghanistan by Pakistan nationals residing in Pakistan.
5. Travel by non-resident Pakistan nationals.
6. Booking of Passage for official travel of Government servants, employees of Semi-Government institutions/autonomous bodies & nationalized/taken over institutions/banks/ other public sector organizations and travel of official Delegations/Foreign Nationals engaged by public sector organizations.
7. Booking of passages of Foreign Nationals.
8. Travel to Afghanistan.
9. Journey from Pakistan against Outward Coupons of Return Tickets.
10. Passage approval in other cases and its validity.
11. Issue of Tickets.
12. Collection of Difference in Fare.
13. Refund against Cancellation of Tickets.
14. No Refunds Outside Pakistan.
15. Return of Passage Bookings.
16. Release of foreign exchange by Authorized Dealers for Foreign Travel.
17. Sale of foreign exchange to Pakistan nationals resident in Pakistan for travel to Bangladesh.
18. Private travel by Government Servants, employees of Semi-Government Institutions/ autonomous bodies and nationalized/taken over institutions/banks.
19. Restriction as to re-issue of unspent amount of Private Travel Exchange Quota (PTEQ) surrendered to an Authorized Dealer.
20. Travel by journalists/participation in international conferences/seminars/games/meetings and sports events etc., in private capacity.
21. Sale of foreign exchange for Professional Training.
22. Foreign exchange for Tabligh.
23. Foreign exchange for Medical Treatment abroad.
24. Release of Exchange for Miscellaneous purposes.
25. Exchange Quota to Government/Semi-Government Employees going on Delegations, Duty, Posting, Leave, Retirement and Training.
26. Migration.
27. Business Travel Abroad.

28. Booking of passage/release of exchange for business visits abroad on the basis of Certificates of Trade Organizations.
29. Booking of passage/Release of foreign exchange to representatives of Consultancy/ Construction companies and firms.
30. Release of Exchange to Pakistani exporters for participation in International Trade Fairs /Exhibitions in Private Capacity.
31. Business Travel abroad with the approval of State Bank.
32. Blanket permission for business travel abroad to exporters of commodities, services etc.
33. Booking of passage against blanket permission.
34 Release of Foreign Exchange against blanket permission.
35. Release of Foreign Exchange against Credit Cards to exporters.
36. Release of Foreign Exchange to business executives of firms/companies other than exporters against Credit Cards.
37. Combination of two exchange facilities.
38. Foreign Exchange facilities for studies abroad.
39. Freight on Personal Baggage.
40. Release of Foreign Exchange for travel, education, medical treatment etc.
41. Conversion of Unspent Balance of Rupees by Foreign Nationals.
42. Endorsement on Passports and Tickets.
43. Form in which Exchange may be issued.
44. Surrender by Travellers of Unspent Foreign Exchange.
45. Exchange for Hajj.

45A. Remittances by Authorized Dealers on behalf of Hajj Group Organizers for Hajj.

45B. Remittances by Authorized Dealers on behalf of Umrah Organizers

46. Remittances for maintenance expenses of the families of Pakistanis living abroad temporarily.
47. Back to back remittance.

CHAPTER 17

TRAVEL

1. General.

This chapter sets out the rules in accordance with which the Airlines/Shipping Companies/Travel Agents may sell tickets and Authorized Dealers may release foreign exchange for travel abroad.

2. Persons from whom applications will be received by the State Bank.

In cases where booking of passage and release of foreign exchange require State Bank's prior approval, SBP-Banking Services Corporation will entertain applications for approval of passage on Form "P" or "P-2" (Appendices V-66 and V-67 and for release of foreign exchange on Form T-1 (Appendix V-68) from the following only:

(i) Applicants themselves.

(ii) Authorized representatives of Airlines/Shipping Companies.

(iii) Authorized representatives of such travel agencies/general sales agents licensed by the Government under the Travel Agencies Act, 1976 and Overseas Employment Promoters licensed by the Bureau of Emigration and Overseas Employment, which are recognized by the State Bank for the purpose.

(iv) Authorized representatives of the Authorized Dealers.

3. Applications for grant of State Bank's recognition.

Applications for grant of recognition for the purpose of para 2 (iii) above should be made to the State Bank through the bankers of the applicants. These applications should, in addition to (i) a confidential report from the applicants' bankers and (ii) a list showing the names of their directors, proprietors, partners etc., as also their nationalities and addresses in Pakistan, be accompanied by the following:

(i) IATA TRAVEL AGENCIES: Original and one photo copy each of (a) approval of IATA Membership and (b) licence granted by the Government under the Travel Agencies Act, 1976.

(ii) NON-IATA TRAVEL AGENCIES:(a) Letters from three IATA airlines sponsoring their request and (b) original licence granted by the Government alongwith its photocopy.

(iii) GENERAL SALES AGENTS: (a) Original licence granted by the Government under the Travel Agencies Act, 1976 alongwith its photo copy and (b) a letter from the airline concerned indicating appointment as their general sales agents.

(iv) OVERSEAS EMPLOYMENT PROMOTERS: Original licence granted by the Bureau of Emigration and Overseas Employment alongwith its photo copy.

State Bank will, however, accord recognition in its absolute discretion. Recognition so granted is liable to be withdrawn by the State Bank at any time without assigning any reason.

4. Travel to countries other than Afghanistan by Pakistan nationals residing in Pakistan

(i) SALE OF TICKETS IN PAKISTAN.

(a) Airlines/Shipping Companies/Travel Agents may sell tickets to Pakistan nationals resident in Pakistan against payment in Pakistan Rupees on production of passport and in case the traveller is over 18 years of age also Computerized National Identity Card (CNIC).

(b) Airlines/Shipping Companies/Travel Agents may sell tickets on any carrier to Pakistani crew members going abroad to join ships, on the basis of a certificate from the Shipping Master and a certificate from the local agents of the foreign ship owners to the effect that the cost of passage is being paid out of the remittable rupee collections of their foreign principals and that the same will be reported in the relative monthly Disbursement Statement of the concerned principal. The local agent's certificate alongwith the Shipping Master's Office certificate should be submitted with the monthly "Return of Passage Bookings (Appendix V-38)".

(ii) TICKETS RECEIVED FROM ABROAD.

Travel against P.T.As/tickets on PIA/Pakistan Shipping Companies as well as on foreign carriers received from abroad may be allowed without approval of the State Bank of Pakistan.

(iii) REBATED TICKETS.

(a) Travel by employees of Airlines/Shipping Companies and their dependents against 100% rebated/free tickets may be authorized by the carriers concerned. Travel by persons entitled to partly rebated tickets of PIA/Pakistan Shipping Companies may also be authorized by the carriers concerned.

(b) Travel against 100% rebated tickets on the inaugural flights and other travel against complimentary tickets issued under IATA Regulations may also be allowed on foreign Airlines/Shipping Companies without any annual limit.

(c) Airlines/Shipping Companies are authorized to issue 100% rebated tickets to the employees of other Airlines/Shipping Companies travelling on official duty. In such cases the Airlines/Shipping Companies should attach a certificate indicating the name of Airline/Shipping Company on whose official business the employee concerned has travelled.

5. Travel by non-resident Pakistan nationals.

(i) Airlines/Shipping Companies/Travel Agents are authorized to book passage of students studying abroad who wish to visit Pakistan on holidays or for other reasons, on production of a declaration by the parents/guardians countersigned by the Authorized Dealers through which remittances are made for education of the students concerned. These declarations should be surrendered in support of the bookings reported in the monthly Return of Passage Bookings. Where one way passage of a student is desired to be booked on completion of studies, Airlines/Shipping Companies/Travel Agents may issue ticket on the basis of Authorized Dealer's certificate not later than 6 months after completion of the studies.

(ii) Pakistan nationals resident abroad returning to their jobs and their family members accompanying them, may be sold one-way ticket for outward journey by any carrier.

(iii) Pakistan nationals resident abroad and their family members living with them, who come to Pakistan on short visits, may be sold ticket for any destination against surrender of equivalent amount in foreign exchange. The encashment certificate (Appendix V-9) issued by an Authorized Dealer in Pakistan should be surrendered alongwith monthly "Return of Passage Bookings".

(iv) Pakistani emigrants holding foreign passport may be sold one-way ticket for their return journey to their country of residence.

6. Booking of Passage for official travel of Government servants, employees of semi-government institutions/autonomous bodies & nationalized/taken over institutions/ banks/other public sector organizations and travel of official delegations/foreign nationals engaged by public sector organizations.

(i) On production of Air Travel Warrant (Appendix V-69), Passport and CNIC in original, passage for the official travel of Government servants or members of an official delegation as detailed in the warrant may be booked by PIA or a travel agent, in which case the latter will approach the PIA for ticketing against Miscellaneous Charges Order (MCO). In the case of travel by the officials of the departments/institutions/public sector organizations etc., which do not issue air travel warrant, passage may be booked by PIA on submission of an official letter from the department/institution/public sector organization concerned authorizing such travel alongwith the passport and CNIC, in original. If the passage is desired to be booked by a department/institution/public sector organization through their approved travel agent, they may do so but in that case the travel agent should approach the PIA for ticketing against MCO. In cases where such traveller is abroad and ticket for inward journey is desired to be issued by the department/institution/public sector organization concerned, production of passport and CNIC in original will not be required. Release of foreign exchange to such officials will continue to be made by the SBP-Banking Services Corporation.

(ii) Inward or round trip passage of foreign expatriates engaged by the public sector organizations for employment with them may also be booked by PIA or a travel agent, in which case the latter will approach the PIA for ticketing against MCO on the basis of employer's letter of request.

In the above cases PIA/travel agents will, before booking of passage, ensure that the air travel warrant or the letter of authorization or the employer's letter of request, as the case may be, is genuine and it has been issued over the signature of an authorized official of the concerned department/institution/public sector organization. In case of doubt, PIA/travel agents may contact the concerned government department/institution/public sector organization, for verification. In support of such bookings, the air travel warrant or the letter of authorization or the employer's letter of request, as the case may be, should be attached with the relative monthly "Return of Passage Bookings".

7. Booking of passages of Foreign Nationals.

In the following cases Airlines/Shipping Companies/Travel Agents can book outward/inward or round trip passages of foreign nationals without the prior approval of the State Bank:

(i) Passages paid for by Foreign Missions/International Organizations/United Nations and its Organizations.

Where passages of foreign nationals are paid for by foreign missions/international organizations in Pakistan through cheques drawn by them on their convertible Rupee accounts or foreign currency accounts in Pakistan. In such cases it will be necessary for the traveller to produce to Airlines/Shipping Companies/Travel Agents an official letter from the foreign mission /international organization concerned confirming that the cheque has been drawn on their convertible Rupee/foreign currency account. The official letter should also indicate the number of cheque as well as the name of the bank on which the cheque has been drawn. As regards the United Nations and its Organizations, Airlines/Shipping Companies/Travel Agents may accept payments for such bookings through cheques drawn on any of their official bank accounts in Pakistan.

(ii) Booking of passages of Foreign Nationals working/residing in Pakistan and their Family Members.

(a) Where travel is undertaken by foreign nationals and their family members provided such foreign nationals are employed with a Government or a Semi-Government agency and if employed in the private sector, they hold work permit/visa from the concerned authority. In such cases Airlines, Shipping Companies and Travel Agents should ask the foreign national to produce a certificate of employment from the Government or the official agency concerned or a copy of the work permit/work visa. In their monthly returns the Airlines/Shipping Companies will invariably quote the number and date of the letter/permit/visa in support of such bookings. Passages of foreign nationals working in Pakistan who do not hold permission letter but are otherwise enjoying exchange facility from the SBP-Banking Services Corporation/an Authorized Dealer or are employed in educational/charitable institutions or hospitals can also be booked against payment in rupees without the prior approval of the State Bank. Airlines/Shipping Companies will report such bookings in their monthly return duly supported by a certificate of the bankers of the concerned foreign national to the effect that he/she is enjoying family maintenance remittance facility from the SBP-Banking Services Corporation/an Authorized Dealer (Name of the Office) vide (Permit No.) dated_____ or a certificate from the educational/charitable institution or hospital where the concerned foreign national is employed.

(b) Where travel abroad to the country of domicile is undertaken by foreign nationals and their family members residing/working in Pakistan but such travel is not covered by sub-para (a) provided their continuous stay in Pakistan prior to the issue of ticket is not less than 6 months, which should be verified with reference to the immigration stamp on the passport of the travellers.

(iii) Foreign Experts/Technicians.

Where inward/outward or round trip journey is undertaken by foreign experts/technicians being engaged in the private sector for rendering such services as supervision of installation, commissioning of the plant and training of personnel. The employers letter of request and their bankers certificate that engagement of the foreign national is covered by the Industrial Policy Statement should be attached with the monthly "Return of Passage Bookings".

(iv) Booking of Passage of Foreign Nationals against Encashment Certificates.

(a) Where outward passage of foreign nationals (including persons of Indo-Pak origin), irrespective of their residential status, is desired to be booked against encashment certificate of Authorized Dealers (Appendix V-9) evidencing receipt/encashment of foreign exchange in Pakistan in cover of the Rupee cost of the relative ticket, provided foreign exchange has been surrendered to an Authorized Dealer not earlier than 30 days from the date of booking. While reporting such bookings in their monthly "Return of Passage Bookings" airlines and shipping companies will enclose the relative encashment certificate in support of such bookings.

(b) Where outward passage/excess baggage, whether accompanied or unaccompanied, of foreign tourists is desired to be booked against payment in foreign exchange to the airlines/shipping companies on holidays or at odd hours when banks are closed, the foreign exchange so surrendered by the tourists and accepted by airlines/shipping companies, shall be surrendered by them to an Authorized Dealer on the next working day alongwith a letter indicating the name of the traveller and particulars of his passport viz. its No. and place of issue and a bank's encashment certificate obtained. These certificates shall be attached by the Airlines/Shipping Companies alongwith their relative passage/freight statement in support of such bookings.

(c) Where outward passage or excess baggage, both accompanied and unaccompanied, of foreign nationals is desired to be booked against International Credit Card, the Airlines/Shipping Companies have first to satisfy themselves about the genuineness, validity etc., of the Card and then prepare a Charge Form. The Charge Form will be signed by the Card holder in acknowledgement of the purchase made against the Card. The name of the Card holder, Credit Card No. etc., would be clearly indicated on the Charge Form in proof of Credit Card having been presented by the holder for booking of passage or excess baggage. A copy of the Charge Form duly filled and signed by the Card holder will be attached by the Airlines/Shipping Companies alongwith their relative passage/freight statement in support of such bookings.

(v) PTAs/Tickets received from Abroad.

Where travel abroad is undertaken by foreign nationals against PTAs / tickets received from abroad.

(vi) Foreign Students.

Where travel abroad to any destination is undertaken by foreign students studying in Pakistan. A certificate of the educational institution concerned should be surrendered with the monthly "Return of Passage Bookings".

(vii) Foreign Crews.

Where outward journey is undertaken by foreign crews of foreign shipping companies, provided the cost of passage is paid by the agent of the foreign shipping company.

(viii) Foreign Born Wives and Children of Pakistan Nationals.

Foreign born wives and children of Pakistan nationals, holding foreign passports and ordinarily residing in Pakistan are eligible to the facilities mentioned in paragraph 4, 8, 16, 17 and 24 provided they otherwise qualify for the same.

8. Travel to Afghanistan.

Airlines/Travel Agents can book outward or round trip passages without the approval of the State Bank for travel to Afghanistan.

9. Journey from Pakistan against Outward Coupons of Return Tickets.

Airlines/Shipping Companies may authorize persons to emplane/embark against outward coupons of return tickets provided the traveller is a foreign national or in the case of Pakistani national, the traveller is resident/settled abroad and holds a work permit/residence visa abroad or his stay abroad is not less than 6 months.

10. Passage approval in other cases and its validity.

In all cases other than those specified in previous paragraphs Airlines/Travel Agents/Shipping Companies should not book passages unless SBP-Banking Services Corporation's approval on Form 'P' / 'P-2' is produced to them. Passages booked against SBP-Banking Services Corporation's approval on Form 'P'/'P-2' should provide for travel within 3 months from the date of approval in respect of journeys originating from Pakistan.

11. Issue of Tickets.

(i) Airlines/Shipping Companies and Travel Agents may book passages against payment in Rupees as permissible under the rules, provided booking is made by normal direct route. In other cases, prior approval of the SBP-Banking Services Corporation is necessary.

(ii) Tickets for outward journeys from Pakistan issued by Airlines/Shipping Companies or Travel Agents under the general authority delegated to them in terms of paragraphs 4, 5, 6, 7 and 8 should invariably indicate the date of departure which should be within three months from the date of issue of the tickets..

(iii) If a request is made to the Airlines/Shipping Companies or Travel Agents for an alteration in the date of departure after a ticket has been issued, the Airlines/Shipping Companies or Travel Agents may allow extension in the date of departure upto one month from the date on which a person is originally booked to travel.

(iv) Airlines and Travel Agents should make the following endorsements on tickets issued to passengers travelling within Pakistan or to Afghanistan:

(a) For transportation within Pakistan: - "Valid for transportation within Pakistan only".
(b) For transportation to Afghanistan for which approval on form 'P' is not necessary: - "Destination not changeable".

(v) Airlines/Shipping Companies/Travel Agents, while issuing tickets, will endorse the passport of the passenger in the following manner under their proper authentication and stamp:

(a) Ticket of ..... (Name of carrier) for ..... issued (destination) on ..... for ..... (purpose of visit)

STAMP & SIGNATURE

(b) In case where tickets/PTAS are received from abroad, the endorsement on the passports should be made by the carrier concerned in the following manner:

Travel to ..... (destination) against the ticket of ..... (name of carrier) received from abroad authorized for ..... (purpose)

STAMP & SIGNATURE

(vi) In all cases of issue of tickets under the authority of paras 4 and 5 of this chapter, the number of the passport and its date and place of issue will be recorded by the Airlines/Shipping Companies/Travel Agents on the first coupon of each ticket. A photo copy of these coupons will be submitted by the foreign carriers alongwith the monthly "Return of Passage Bookings" prescribed vide paragraph 15 of this chapter. The number of the relevant paragraph of this chapter will be quoted in column No. 12 of the "Return" in those cases where passage is sold under the authority delegated to the Airlines/Shipping Companies/Travel Agents.

12. Collection of Difference in Fare.

(i) It will be in order for the carriers to accept difference arising either from increase in fare or rerouting in respect of tickets issued in Pakistan subject to the same terms and conditions as laid down for issue of tickets under the general authority delegated to them in this chapter. In case of tickets purchased abroad, difference may be accepted in Pak Rupees if the traveller is otherwise entitled to purchase a ticket against payment in Pak Rupees under the facility of private travel allowed in terms of the provisions of this chapter.

(ii) In the case of foreign nationals coming to Pakistan against tickets issued outside Pakistan and who, on arrival in Pakistan, desire some alteration or amendment in the ticket, airlines and shipping companies or travel agents may carry out such alteration or amendment without the prior approval of the State Bank provided additional payment in Rupees on account of the cost of such amendments/alterations does not exceed Rs. 100/- per person. In such cases amounts in excess of Rs.100/- can be collected by airlines, shipping companies etc., only with the prior approval of the State Bank. This restriction, however, does not apply to cases where additional payment in Rupees is made by the foreign traveller out of funds received from abroad or against encashment of foreign currency or M.C.O's issued abroad.

13. Refund against Cancellation of Tickets.

Carriers have general permission to allow refund against partly or wholly unutilized tickets without the prior approval of the State Bank in the following cases:

(i) Wholly unutilized tickets:

(a) Where the carriers have satisfied themselves by examination of relative documents that the ticket holder has not drawn any foreign exchange.

(b) Where the foreign exchange drawn by the ticket holder has been surrendered to an Authorized Dealer. In such cases the relative encashment certificates should be attached with the refund statement.

(ii) Partly utilized tickets: Where refund is in respect of

(a) Travel between two points outside Pakistan except where a point of travel involved is in India or Bangladesh, and
(b) Return journey portion of a ticket originally issued for two way travel.

14. No refunds Outside Pakistan.

(i) In all cases of bookings made against payments in Rupees, whether single or round trip, no refunds should be granted outside Pakistan. In all such cases refunds should be made only in Rupees in Pakistan. All tickets/vouchers etc., must be marked accordingly. Airlines and Shipping Companies should also ensure that such refunds are not given in the form of exchange vouchers or in any other form, which can be used for further transportation. All such refunds must be made either by cheque or in cash.

(ii) In respect of a first class ticket involving travel by sea or air issued to a traveller, whether Pakistan or a foreign national, it is not permissible to convert it into one, which enables the passenger to travel in a lower class. All such requests must be referred to the SBP-Banking Services Corporation for prior approval.

15. Return of Passage Bookings.

(i) Airlines and Shipping Companies should furnish to the concerned Authorized Dealer a monthly return of all passages sold or tickets issued by them in the prescribed form (Appendix V-38) according to the instructions contained in para 3 and para 4 of Chapter 14.

(ii) In all cases of cancellations or refunds of passages a monthly statement should be submitted in the prescribed form (Appendix V-41). In this regard reference is invited to para 3 and para 4 of Chapter 14.

(iii) No returns are required to be submitted by Travel Agents to the State Bank. They are, however, required to maintain a complete record of all passages sold by them in the prescribed form (Appendix V-38).

16. Release of Foreign Exchange by Authorized Dealers for foreign travel.

Authorized Dealers may release foreign exchange for foreign travel in accordance with the instructions set out below:

(i) Sale of Foreign Exchange to Pakistan nationals resident in Pakistan for travel to countries other than Bangladesh and Afghanistan.

Pakistan nationals resident in Pakistan are entitled to Private Travel Exchange Quota (PTEQ) of U.S. $50/- per day per person subject to a maximum of US$2,100 per calendar year for countries other than Bangladesh and Afghanistan. This quota may be drawn from Authorized Dealers in accordance with instructions contained in subsequent sub-paragraphs in lump sum or in installments over a period of one calendar year. Children below the age of 2 years are entitled to 10% of the PTEQ mentioned above while children over 2 years of age but below 12 years of age are entitled to draw 50% of PTEQ. The PTEQ will be released by the Authorized Dealers for the period of stay abroad as may be declared by the applicant on 'T-1' form subject to the prescribed maximum ceiling. The period of stay abroad declared by the applicant should be substantiated by the Authorized Dealers with reference to the number of days for which visa, if any, has been granted and from the dates of outward/inward journeys, if indicated in the tickets. Authorized Dealers should record in the relevant passports, release of PTEQ in full at one time or in instalments with date, month and year of issue. In cases where passport is presented within one year of its issue and it bears the endorsement that the holder thereof has previously travelled abroad on another passport which has been cancelled and returned, the Authorized Dealers

should invariably call for the previous passport in order to determine the entitlement of PTEQ. In case the endorsement shows that the previous passport had been retained by the authorities after cancellation, Authorized Dealers may issue foreign exchange on the basis of the written affirmation by the person concerned about the foreign exchange drawn by him since 1st January of the relevant calendar year to date.

(ii) PTEQ can also be released against one way ticket.

(iii) Banks authorized to deal in foreign exchange will release foreign exchange to the travellers as indicated above, on production of the following: -

(a) Passport.

(b) CNIC

(c) Ticket

(d) T-1 form duly completed.

(e) Visa in case of travel by land route.

Before issuing foreign exchange on the scale indicated in preceding sub-paragraph (i), Authorized Dealers should satisfy themselves about the genuineness of the request for release of PTEQ and verify with reference to the passports of the travellers that they are entitled to the PTEQ. It should also be verified from the passport that the journey for which the installment of PTEQ was last drawn, was actually undertaken. Authorized Dealers will ensure that the serial number(s) of the ticket(s) and the name of the airline/shipping company are invariably indicated in the columns provided for the purpose in the Authorized Dealer's Certificate provided in "T-1" form.

(iv) In the case of travel by land route, Authorized Dealers may release PTEQ subject to entitlement on submission of "T-1" form, passport, CNIC and visa.

(v) No foreign exchange will be made available by Authorized Dealers for travel to Afghanistan.

(vi) Authorized Dealers will keep photostat copies of the following documents in their record and present the same to the Inspection Teams of the State Bank:

a) Pages 1, 2 and 3 with inside title page and that page of the passport on which endorsement of release of foreign exchange is made.

b) First coupon of air/steamer ticket.

c) Visa

17. Sale of foreign exchange to Pakistan nationals resident in Pakistan for travel to [1]Bangladesh.

[1] FE Circular No. 03 dated March 31, 2005.

Authorized Dealers may release to Pakistan nationals resident in Pakistan as PTEQ US$100/- per head on each visit to Bangladesh subject to the condition that children upto the age of 12 years will be given US$50/- per head. The foreign exchange may be released on production of passport, CNIC in original, "T-1" form and Air/Steamer ticket. The Air/Steamer ticket and passport of the traveller should be endorsed with the amount released as prescribed in paragraph 42 ibid except in case of travel by land route where only the passport should be endorsed. It should also be verified from the passport that the journey, for which PTEQ was last drawn, was actually undertaken.

18. Private travel by Government Servants, employees of Semi-Government Institutions/autonomous bodies and nationalized/taken over institutions/banks.

The instructions contained in paragraphs 4, 8, 16, 17 and 24 will apply. However, tickets will be issued and foreign exchange released on submission of relevant order of the competent authority sanctioning leave ex-Pakistan, in addition to other prescribed documents. Before releasing PTEQ in such cases Authorized Dealers should ensure that it is clearly indicated in the Leave Order that the traveller has not been allowed to draw leave salary/ pension in foreign exchange.

19. Restriction as to re-issue of unspent amount of 'PTEQ' surrendered to an Authorized Dealer.

Unspent amount of foreign exchange brought back by a traveller out of the 'PTEQ' drawn by him and surrendered to an Authorized Dealer can be re-issued to him for subsequent travel abroad within the approved limits.

20. Travel by journalists/participation in international conferences/seminars/games/ meetings and sports events etc. in private capacity.

Persons proceeding abroad to attend international conferences, symposia, seminars, meetings etc., in their private capacity and journalists travelling abroad to cover journalists events etc., will be allowed foreign exchange by the SBP-Banking Services Corporation at the rate of US$60/- per head per day subject to a maximum of US$1,000/- per head for countries other than India, Bangladesh and Afghanistan. In case of persons proceeding for these purposes to India and Bangladesh foreign exchange will be allowed by the SBP-Banking Services Corporation at the rate of US$40 per day subject to a maximum of US$600/-.

21. Sale of foreign exchange for Professional Training.

Authorized Dealers may release foreign exchange on the following scales to persons sponsored by their respective institutions/organizations in the private sector for professional training abroad on submission of the prescribed Application Form (Appendix V-70) by the employing institutions/organizations:

		For the first four weeks	For Periods extending beyond four weeks.	
			For Countries other than India.	For India.
(i)	Top level Executives like	Daily Allowance	US$ 1,200 p.m.	US$ 500 p.m.

	General Managers, Chief Accountants, Chief Engineers, Directors, etc.	as per scale set out in Appendix V-71		
(ii)	Junior Executives.	-do-	US$1,200 p.m.	US$ 250 p.m.

22. Foreign exchange for Tabligh.

Release of foreign exchange over and above the PTEQ for Tabligh requires SBP-Banking Services Corporation's prior approval.

23. Foreign exchange for Medical Treatment abroad.

(i) Authorized Dealers may remit foreign exchange up to US$ 50,000/- or equivalent in other foreign currencies on account of medical treatment of resident Pakistanis only after satisfying themselves about bona fides of the transaction. Remittances should be sent directly to the account of concerned reputable foreign Hospital via SWIFT, telegraphic transfer or demand draft after obtaining the following documents:

a. Appendix V-72 duly filled in by the patient/next of kin/sponsor.
b. Invoice/estimate of the foreign hospital.
c. A 'self-declaration' from the patient, his/her next of kin or from sponsor declaring amount of foreign exchange essentially required for treatment abroad.

(ii) In addition, Authorized Dealers may also release cash foreign exchange equivalent to US$ 5,000/- each to the patient and one attendant which should be duly endorsed on his/her/their passport(s).

(iii) In case of foreign exchange requirements for medical treatment abroad in excess of the above limit, the concerned Authorized Dealer will forward the case to the Director, Foreign Exchange Operations Department, SBP-Banking Services Corporation, Head Office, Karachi along with justification and documentary evidence for consideration.

(iv) Authorized Dealers will retain all related record including the documents submitted by the applicant as mentioned in this paragraph for on-site inspection by the State Bank's Inspection Team.

(v) [2]In order to facilitate and guide their individual customers desirous of availing above services, Authorized Dealers are advised to ensure the following:

a) Information regarding provision of FX services for medical treatment abroad should be displayed at prominent place at each authorized branch of the Authorized Dealer.
b) Adequate stock of major foreign currencies should be maintained at all authorized branches to meet cash related requirements for such facility.
c) Brochures containing information regarding services related to medical treatment abroad may be made available at all branches. However, such information must be placed at official websites of the Authorized Dealers alongwith list of branches providing such services. Further, such list should also be available at all branches of the Authorized Dealer for guidance of customers.

[2] EPD Circular Letter No. 14 dated September 14, 2018

d) The officials dealing with such services should be trained/ made acquainted with the existing foreign exchange rules and regulations governing individual FX needs

24. Release of Exchange for Miscellaneous purposes.

Authorized Dealers may release US$ 50 per head for meeting incidental expenses to the travellers of the following categories, proceeding to countries other than India, Bangladesh and Afghanistan on submission of passport and ticket. This will be in addition to any other purchase of foreign exchange admissible to them except PTEQ: -

(i) Pakistanis resident in Pakistan except those proceeding on official or business travel.

(ii) Pakistani students studying abroad (Para 5(i) ibid) excluding those going abroad on fresh permits.

(iii) Returning residents (Para 5(ii) ibid).

(iv) Foreign nationals settled/working in Pakistan (Para 7(ii)(b) ibid).

(v) Foreign students studying in Pakistan (Para 7(vi) ibid).

(vi) Foreign Crews (Para 7(vii) ibid).

(vii) Employees of foreign controlled companies and their joint ventures in Pakistan for attending In-House Seminars, Workshops, Symposia, Meetings etc. outside Pakistan.

The sale of this amount of US$ 50 will be recorded on the passport as a separate entry distinct from any other amount of foreign exchange purchased by the traveller.

25. Exchange Quota to Government/Semi-Government Employees going on Delegations, Duty, Posting, Leave, Retirement and Training.

Government/Semi-Government employees will be entitled to draw exchange at the prescribed rate of daily allowance which has been fixed by the Government for the actual period they remain abroad on official duty. In addition, an exchange quota of US$100/- per person will be allowed on private account, if so requested by the person concerned provided he has not been allowed to draw his salary abroad. Persons who are eligible to draw leave salary/pension in foreign exchange may, while proceeding abroad on leave or after retirement, either draw the private travel quota or leave salary/pension as admissible under Government rules.

26. Migration.

Persons proceeding on migration abroad will be allowed by the SBP-Banking Services Corporation a foreign exchange quota of US$50/- per head against sponsored migration visa and US$500/- per family against non-sponsored visa. Migrants to USA/Canada against non-sponsored visa will be allowed a compulsory minimum quota of US$260/- per family. They may at their option also obtain additional exchange quota upto US$500/- inclusive of the compulsory quota. Application for the purpose should be made on the prescribed form (Appendix V-73).

27. Business Travel Abroad.

Persons proceeding abroad on business visits are allowed exchange facility at the rate of US$300/- per day subject to a maximum of US$9,000/- per person for countries other than India and Afghanistan. For India business travel quota is allowed @ US $40/- per day subject to a maximum of US$1,200/- per person.

28. Booking of passage/release of exchange for business visits abroad on the basis of Certificates of Trade Organizations.

Airlines/Shipping Companies/Travel Agents and Authorized Dealers may issue tickets and release foreign exchange at the rate specified in para 27 ibid without prior approval of the State Bank in accordance with the following instructions in cases where business visit to countries other than Afghanistan is recommended by the Federation of Chamber of Commerce and Industry or by a Chamber of Commerce/Trade Organization listed in Appendix V-74:-

(i) Persons desirous of proceeding abroad on business visits under the above scheme should fill in Form "T-2" (Appendix V-75) in triplicate and submit it to one of the Organizations mentioned in the list for certification. Two copies of Form "T-2" will be returned to the applicants after certification and the third copy retained by the Chamber of Commerce/Trade Organization for their own record.

(ii) On the basis of certification of Chamber of Commerce/Trade Organization, Airlines/Shipping Companies/Travel Agents may sell passage for countries other than Afghanistan on payment of the cost thereof by the firm/company on whose behalf the travel is being undertaken. The passport should be endorsed as prescribed in preceding para 11 (v) (a). The airlines/travel agents will endorse both the copies of Form "T-2", return one copy to the traveller and retain the other copy for submission alongwith their monthly "Return of Passage Bookings".

(iii) Authorized Dealers may release foreign exchange, at the rates prescribed in para 27 of this chapter for business visit to countries other than Afghanistan on submission of the duplicate copy of the "T-2" form certified by the Chambers of Commerce/Trade Organizations, ticket, passport and CNIC. Foreign exchange should be released for the number of days recommended by the Chambers of Commerce/Trade Organizations subject to a maximum of thirty (30) days. The passport and ticket of the traveller should be endorsed with the amount of foreign exchange released. "T-2" form should also be endorsed with the date and amount of foreign exchange released and the form submitted to the SBP-Banking Services Corporation with the monthly foreign exchange returns.

(iv) Authorized Dealers/Airlines/Shipping Companies/Travel Agents will satisfy themselves that the "T-2" form recommended by the respective Chambers of Commerce/Trade Organizations and produced to them for issue of tickets/release of foreign exchange are genuine and complete in all respects. To verify the genuineness of the "T-2" form Authorized Dealers/ Airlines/Shipping Companies/Travel Agents should obtain specimen signatures of the officials authorized by the respective Chambers of Commerce/Trade Organizations to sign the prescribed certificate.

(v) This facility is available only to Directors/Proprietors/Working Partners and whole-time employees of the applicant firm and not to part-time employees, advisors and non-executive partners.

(vi) Payment for the cost of ticket issued and cost of foreign exchange released will be received by the Airlines/Travel Agents/Shipping Companies/Authorized Dealers through cheques drawn on the bank account of the company/firm concerned.

29. Booking of passage/Release of foreign exchange to representatives of Consultancy/ Construction companies and firms.

Airlines/Shipping Companies/Travel Agents and Authorized Dealers may issue tickets/release foreign exchange at the rates specified in paragraph 27 without prior approval of the State Bank to the representatives of Consultancy/Construction firms/companies whose Bid Bonds/Performance Bonds have been accepted by foreign beneficiaries. For this purpose, such persons/firms, if they are not members of any Chamber of Commerce and Industry or Trade Organization, will be required to fill in Form 'T-2' in triplicate and submit it to the Offices of the Trade Development Authority of Pakistan for certification. Other instructions for issue of tickets, release of foreign exchange, admissibility of travel facility and the mode of payment for cost of passage/exchange etc. will remain the same as prescribed in paragraph 28 (i) to (vi) for business travel on the recommendations of the Chambers of Commerce/Trade Organizations on Form 'T-2'. However, in case the Consultancy /Construction firm/company is a public sector company, passage/exchange facility will be available only with the prior approval of State Bank.

30. Release of Exchange to Pakistani exporters for participation in International Trade Fairs/Exhibitions in Private Capacity.

Authorized Dealers may extend, subject to fulfillment of the drill prescribed herein for each category, following facilities to Pakistani exporters for participation in International Trade Fairs/Exhibitions in their private capacity as and when approached:

Category 'A' where sample goods are taken for display.

(i) Remittance of space rent direct to Fair/Exhibition authorities against their debit note and undertaking from the exporter's firm/company on the form appearing at Appendix V-76. Remittance will be reported on Form 'M'.

(ii) Release of exchange for construction of pavilion against estimate subject to rendition of account for expenses incurred and undertaking on the form appearing at Appendix V-76. Remittance will be reported on Form 'M'.

(iii) Issue of an authority letter to the airline/travel agents for issue of ticket to and from the country where the Trade Fair/Exhibition is being held, for the representative of the firm/company on whose behalf foreign exchange for space rent/construction of pavilion already released, not exceeding two persons, on the form appearing at Appendix V-77 on production of documents showing confirmation for booking of space and credit note/receipt for foreign exchange already released. This authority letter will be retained by the airline for submission through passage statements.

(iv) Release of foreign exchange on production of return ticket purchased against Authorized Dealer's authority mentioned in preceding sub-para (iii) at the rate not exceeding Business Travel Quota for the number of days of the fair plus another seven days for setting up stall and winding up of affairs but not exceeding 30 days. Release of exchange will be reported on T-1 Form under this authority.

(v) Payment for the cost of ticket and foreign exchange to be released for payment of rent for stalls, booking of space, construction of pavilion, advance deposits etc.

and for the expenses of the representative of the firm/company participating in international trade fairs/exhibitions will be received by the Airlines/Travel Agents/ Shipping Companies and Authorized Dealers through cheques drawn on the bank account of the firm/company concerned.

Category 'B' - Trade Fairs/Exhibitions organized by the Chambers of Commerce and Industries (of Pakistan) or where exporter is participating in individual capacity where goods are taken for sale under Form 'E' procedure.

(i) Remittance of Advance space rent by the Chamber of Commerce and Industry direct to Fair authorities against Debit Note supported by (a) list of participating members with their share of space rent and (b) undertaking in (Appendix V-76) from each member participating in the fair. Remittance will be reported to SBP-Banking Services Corporation on Form 'M'.

(ii) Certification of Form 'E' on self consignment basis or otherwise as recommended by the organizing Chamber of Commerce and Industry.

(iii) Issue of an authority letter to airline/travel agent for the issue of ticket to and from the country where the Fair is being held, for not more than two persons of the participating firm on whose behalf Form 'E' has already been certified, on Appendix V-77. This authority letter will be retained by the airline for submission through passage statements.

(iv) Issue of authority letter to airline/travel agent for issue of tickets to the Pavilion Officer(s) nominated by the organizing Chamber on Appendix V-77. This authority letter will be retained by the airline for submission through passage statements.

(v) Release of foreign exchange for Duty/Sales tax to the participating members on repatriable basis as per undertaking furnished on Form Appendix V-76. This will be reported on T-1 Form alongwith Business Travel Quota.

(vi) Release of foreign exchange to the representative(s) of the participating firm/Pavilion Officer(s) on production of return air tickets purchased against Authorized Dealer's authority mentioned in preceding sub-paragraphs (iii) and (iv), at a rate not exceeding the Business Travel Quota for the number of days of the Fair plus 7 days extra for setting up stall and winding up of affairs but not exceeding 30 days. This will be reported on T-1 Form under this authority.

(vii) Issue of authority letter for re-import of unsold goods exported under Form 'E' procedure as per preceding sub-paragraph (ii) on freight-to-pay basis. Original will be retained by the airline/shipping company and photo-copy will be produced to Customs for release of the goods.

(viii) Payment for the cost of ticket and foreign exchange to be released for payment of rent for stalls, booking of space, construction of pavilion, advance deposits etc. and for the expenses of the representative(s) of the firm/company participating in international trade fairs/exhibitions will be received by the Airlines/Travel Agents/Shipping Companies and Authorized Dealers through cheques drawn on the bank account of the firm/company concerned.

Authorized Dealers should carefully note that in case of failure of the participants to submit evidence of having brought back the sample goods taken for display or encashment certificate of the samples sold and for failure to repatriate the foreign exchange released for space rent/duty etc., alongwith the sale proceeds (Category B) the Authorized Dealers will report the matter to the area office of the Foreign Exchange Operations Department of the SBP-Banking Services Corporation for suitable action. The Authorized Dealers will also report the outstanding sale proceeds including the amount released on account of space rent/duty etc. in their monthly overdue statement prescribed in Appendix V-20 of the Manual with specific remarks "Exhibition case".

31. Business Travel abroad with the approval of State Bank.

Persons desirous of proceeding abroad on business visits are free to approach the SBP-Banking Services Corporation for approval of passage facility and release of exchange for such visits. Applications for this purpose should be made to the SBP-Banking Services Corporation on Form "T" (Appendix V-78). At the time of forwarding such applications, which should be duly completed, Authorized Dealers should ensure that the requisite documents including a Confidential Report on the financial standing of the party are enclosed with the application.

32. Blanket permission for business travel abroad to exporters of commodities, services etc.

(i) State Bank also issues blanket permission for purchase of ticket and release of foreign exchange for business travel abroad to exporters of commodities, services etc. whose export earnings during the preceding calendar year or the year immediately preceding the month of the application are Rs 2.5 million or more in the case of exporters of commodities and Rs 0.25 million or more in the case of exporters of services like Indenting/Recruiting Agents, Construction Companies, Trade Marks and Patent Attorneys etc.

(ii) Request for issue of blanket permission should be made to the SBP-Banking Services Corporation on Form "BT" (Appendix V-79) in duplicate. Names of the Directors/Executives/ Officials who would undertake business travel on behalf of the applicant firm against the blanket permission will be specified in the application. Not more than 3 persons can be nominated at a time for this purpose.

(iii) SBP-Banking Services Corporation will issue blanket permission on the original 'BT' form, which will be valid for a period of one year only. Only two representatives of the export houses/firms/companies can travel at a time against the blanket permission provided both of them are not travelling in one and the same direction and their destinations are distinctly separate. As an exception, two representatives can travel at a time against the blanket permission in one direction and for the same destination provided one of them is a technical representative of the firm / company and his visit is necessary. On expiry of the blanket permission, it should be surrendered to the issuing office of the SBP-Banking Services Corporation by the holders thereof alongwith one detailed achievement report in respect of all the business trips undertaken under the blanket permission. The renewal of blanket permission will be allowed by the SBP-Banking Services Corporation only in those cases where they are satisfied about the bonafides of the business visits undertaken and of the concrete results achieved by way of increased foreign exchange earnings for the country.

33. Booking of passage against blanket permission.

Airlines/Travel Agents may issue ticket for travel abroad of the persons named in the blanket permission issued by the SBP-Banking Services Corporation. The Airlines/Travel Agents will make endorsement in token of having issued the ticket on the blanket permission in the space provided for the purpose under their stamp and signature. A copy of the blanket permission will be retained by the Airline/Travel Agent which will be submitted in support of the booking reported in their monthly "Return of Passage Bookings". The aforesaid copy of the blanket permission shall be certified by the Airlines / Travel Agents in the following manner: -

"Payment received through Cheque No. _____dated _____drawn on the bank account of firm/company concerned.

Stamp & Signature"

34. Release of Foreign Exchange against blanket permission.

Authorized Dealers may release foreign exchange at the rates prescribed in para of this chapter on the strength of the following documents:

(i) Blanket Permission of the SBP-Banking Services Corporation.

(ii) Airline ticket.

(iii) Letter from the export house/firm/company detailing the purpose and duration of the proposed visit.

(iv) 'T-1' Form.

(v) Passport.

In addition to the endorsement of foreign exchange released on the airline ticket and passport as required under the rules, the Authorized Dealer will also make endorsement of the foreign exchange released on the blanket permission in the space provided therein under its stamp and signature. A photo-copy of the blanket permission, duly certified by the Authorized Dealer in the manner indicated in the preceding paragraph, alongwith the letter of export house/firm/company mentioned at (iii) above, will be enclosed while reporting the sale to the Foreign Exchange Operations Department in their monthly exchange return.

35. Release of Foreign Exchange against Credit Cards to exporters.

Bonafide exporters can also draw exchange quota against credit card for business visits to countries other than Afghanistan. The following procedure will be followed in this regard:

(i) Exporters desirous of availing the facility of credit card for business travel abroad, will make an application to the concerned Authorized Dealers (Credit Card Issuing Agencies) in the form appearing at Appendix V-80 duly certified by a Chamber of Commerce/Trade Organizations listed in Appendix V-74. While issuing credit card, the Authorized Dealers (Credit Card Issuing Agencies) shall make the endorsement on the face of blanket permission in the following format:

Name of Authorized Dealer (Credit Card Issuing Agency)

Credit Card No._____

Issued to Mr. _____

Signature _____

Dated _____

(ii) The limit upto which the persons concerned may utilize the credit card facility shall be the maximum Business Travel Quota admissible under the rules for the time being in force less any amount of foreign currency notes/travellers cheques issued to them in Pakistan.

(iii) When proceeding abroad on business visit, persons concerned will submit to the Authorized Dealers (Credit Card Issuing Agencies) original blanket permission granted by the SBP-Banking Services Corporation or T-2 form duly certified by Federation of Pakistan Chamber of Commerce & Industry/Chamber of Commerce & Industry/ concerned Trade Organization.

(iv) All remittances made by Authorized Dealers (Credit Card Issuing Agencies) in reimbursement of expenses incurred abroad by the holders of credit card will be reported in the monthly foreign exchange returns by them under the code relating to business travel.

(v) If so desired by the persons concerned, initial release in the shape of either foreign currency notes or travellers cheques can be obtained by them but only from the Authorized Dealer which has issued the credit card and from no other Authorized Dealer. Such sales will be reported to the Foreign Exchange Operations Department under the code relating to business travel on T-1 form with which a photocopy of Blanket Permission/T-2 form duly endorsed by the Authorized Dealers (Credit Card Issuing Agencies) will be attached. In the case of business travel against Blanket Permission a photo-copy of the letter submitted by exporting firm under para 34(iii) of this chapter will also be attached with the returns.

(vi) Subsequent remittance made by the Authorized Dealers (Credit Card Issuing Agencies) in reimbursement of the amount utilized abroad by the credit card holders will be reported on Form 'M' and endorsed on the photocopy of the relative Blanket Permission/T-2 form which will be attached with Form 'M'. In the case of business travel against Blanket Permission a photocopy of the exporting firm's letter referred to in preceding sub-para (v) will also be attached.

(vii) A photocopy of Blanket Permission/Original T-2 form bearing Authorized Dealer's (Credit Card Issuing Agency's) endorsement regarding release of initial amount of foreign exchange as well as subsequent remittances made by the Authorized Dealers (Credit Card Issuing Agencies) will be submitted to the Foreign Exchange Operations Department alongwith a monthly statement in the form appearing at Appendix V-81. This statement should reach the area office of the Foreign Exchange Operations Department by the 10th of the month following the month to which it relates. In the case of business travel against Blanket Permission the original letter submitted by the exporting firm in terms of para 34(iii) of this chapter will also be attached with the return.

(viii) Initial release/all subsequent remittances shall also be endorsed by the Authorized Dealer on original Blanket Permission which on expiry of its validity will be

surrendered to the Issuing Office in accordance with the instructions laid down in para 32(iii) of this chapter.

36. Release of Foreign Exchange to business executives of firms/companies other than exporters against Credit Cards.

The Credit Card facility as admissible to the bonafide exporters in terms of para 35 ibid can also be availed of by business executives of firms/companies other than exporters provided the firm/company is paying minimum income tax of one million rupees a year, after obtaining necessary approval from the area office of the Foreign Exchange Operations Department on production of the following documents through their bankers:

(i) Formal request of the firm/company for credit card facility to their executives.

(ii) Valid passports of the concerned persons together with original CNIC.

(iii) Attested copy of the latest Income Tax Assessment Order of the firm/company.

(iv) Attested copy of the receipted challan evidencing payment of Income Tax during the preceding income year.

After obtaining SBP-Banking Services Corporation's approval, the following procedure will be followed:

(a) Firms/companies other than exporters will approach the concerned Authorized Dealers (Credit Card Issuing Agencies) alongwith the approval letter of SBP-Banking Services Corporation and form "T-2" duly certified by the respective Chamber of Commerce and Industry/Trade Association. While issuing credit cards, the Authorized Dealers (Credit Card Issuing Agencies) shall make endorsement on the face of duplicate "T-2" form and on the back of SBP-Banking Services Corporation's approval letter in the following format:

Name of Authorized Dealer (Credit Card Issuing Agency)

Credit Card No.....

Issued to Mr.....

against S.B.P. BSC Approval No.....

dated.....

Date:……..

Signature: .....

Authorized Dealers (Credit Card Issuing Agencies) will retain a photo-stat copy of SBP-Banking Services Corporation's approval letter and return the original to the applicant.

(b) The limit upto which the persons concerned may utilize the credit card facility shall be the maximum Business Travel Quota admissible under the rules for the time being in force less any amount of foreign currency notes/travellers cheques issued to them in Pakistan.

(c) All remittances made by Authorized Dealers (Credit Card Issuing Agencies) in reimbursement of expenses incurred abroad by the holders of credit card will be reported in the monthly foreign exchange returns under the code relating to business travel.

(d) If so desired by the persons concerned, initial release in the shape of either foreign currency notes or travelers cheques, can be obtained by them but only from the Authorized Dealer which has issued the credit card and from no other Authorized Dealer. Such sales will be reported to the Issuing Office under the code relating to business travel on "T-1" form with which a photo copy of SBP-Banking Services Corporation's approval letter and "T-2" form duly endorsed by the Authorized Dealers (Credit Card Issuing Agencies) will be attached.

(e) Subsequent remittances made by the Authorized Dealers (Credit Card Issuing Agencies) in reimbursement of the amount utilized abroad by the Credit Card holders will be reported on Form 'M' and endorsed on the photo copy of the relative 'T-2' form which will be attached with Form 'M' alongwith photostat copy of SBP-Banking Services Corporation's approval letter.

(f) A photo copy of SBP-Banking Services Corporation's approval letter and Duplicate "T-2" form bearing Authorized Dealer's (Credit Card Issuing Agency's) endorsement regarding release of initial amount of foreign exchange as well as subsequent remittances made by the Authorized Dealer (Credit Card Issuing Agency) will be submitted to the Foreign Exchange Operations Department alongwith a monthly statement in the form appearing at Appendix V-81. This statement should reach the area office of the Foreign Exchange Operations Department by the 10th of the month following the month to which it relates.

37. Combination of two exchange facilities.

Authorized Dealers should not release foreign exchange for two different purposes at a time. In other words combination of two exchange facilities is not allowed.

38. Foreign Exchange facilities for studies abroad.

1) Authorized Dealers may remit foreign exchange to educational institutions abroad on behalf of students desirous of studying in accredited and recognized foreign institutions/ universities upto US$ 70,000/- or equivalent in other foreign currencies per student per calendar year on account of application/processing charges, tuition fee, living expenses etc. in accordance with the procedure set out below:

i) Remittances related to application/processing charges for admission.

In cases where students are required to remit application/processing charges for admission in the foreign educational institutions, Authorized Dealers may make such remittances to the concerned foreign educational institution on production of documentary evidence to the satisfaction of the bank showing the amount of

application/processing charges. There is no restriction on the number of institutions to which a student can apply for admission.

ii) Remittance of tuition fee, living expenses etc.

The Authorized Dealers may make remittances for tuition fee, living expenses and other dues (health, insurance, union, sports, library fees etc.) on behalf of students desirous of studying abroad who have got admission in a foreign educational institution on the basis of the following documents:

a) Application Form (Appendix V-82) duly filled in by the student/parent/ guardian.
b) Copies of CNIC/Form 'B' of the student and CNIC of the parent/guardian.
c) Copy of passport of the student.
d) Letter of admission from foreign educational institution.
e) Letter/Cost Sheet from foreign educational institution showing break-up of expenses.

iii) Remittances to the foreign educational institution or the student.

Dues, including Tuition Fee, which are payable to the foreign educational institution should be remitted directly to the account of the educational institution via SWIFT, telegraphic transfer or demand draft and not remitted/released to the student. Living or miscellaneous expenses as indicated by the respective foreign institution/university, if not being remitted to the institution, can, however, be sent to the student himself via SWIFT, telegraphic transfer or demand draft.

iv) Initial cash foreign exchange requirements.

In order to meet the initial expenses related to boarding/lodging and/or other requirements of the student, Authorized Dealers can release cash foreign exchange equivalent to US$ 5,000/- to the student which should be endorsed on his/her passport.

2) In case of foreign exchange requirements for studies abroad in excess of the above limit, the concerned Authorized Dealer will forward the case to the Director, Foreign Exchange Operations Department, SBP-Banking Services Corporation, Head Office, Karachi along with justification and documentary evidence for consideration.

Authorized Dealers will retain all related record including the documents submitted by the applicant as mentioned above for on-site inspection by the State Bank's Inspection Team.

(3) [3]In order to facilitate and guide their individual customers desirous of availing above services, Authorized Dealers are advised to ensure the following:

a) Information regarding provision of FX services for studies abroad should be displayed at prominent place at each authorized branch of the Authorized Dealer.
b) Adequate stock of major foreign currencies should be maintained at all authorized branches to meet cash related requirements for such facility.
c) Brochures containing information regarding services related to studies abroad may be made available at all branches. However, such information must be placed at official websites of the Authorized Dealers alongwith list of branches providing such service. Further, such list should also be available at all branches of the Authorized Dealer for guidance of customers.

[3] EPD Circular Letter No. 14 dated September 14, 2018

d) The officials dealing with such services should be trained/ made acquainted with the existing foreign exchange rules and regulations governing individual FX needs.

39. Freight on Personal Baggage.

(i) Airlines and Shipping Companies are authorized to accept freight at actual in rupees on personal baggage, whether accompanied or un-accompanied, both in respect of outward and inward journeys originating from Pakistan and terminating abroad, or originating from abroad and terminating in Pakistan, from travellers other than those who are covered by succeeding sub-paragraph (iii). Airlines/Shipping Companies can also accept outward excess baggage, whether accompanied or un-accompanied, on freight-to-pay basis without limit. However, it will be the responsibility of the Airlines to ensure that in respect of accompanied baggage, Excess Baggage Tickets are issued at actual weight basis and passengers are not provided with Miscellaneous Charges Orders for the purpose.

(ii) Shipping Companies/Airlines may accept payment of freight in rupees upto Rs 500 per packet in connection with the export of gift parcels and actual freight in connection with the export of bonafide free trade samples covered by paragraph 2 of Chapter 12. The Shipping Companies/Airlines while reporting such collections in their monthly returns of passage and freight collections should enclose a copy of the Airway Bill/Bill of Lading in support of the relative freight collections.

(iii) In respect of categories of travellers mentioned in sub-paragraphs (i), (ii)(a) and (iv)(a) of paragraph 7 of this chapter, Airlines/ Shipping Companies can accept freight without limit for transportation of personal effects whether accompanied or un-accompanied on outward journey subject to the same conditions as laid down in the said sub-paragraphs for booking of passage.

40. Release of Foreign Exchange for travel, education, medical treatment etc.

Amounts of foreign exchange in excess of the limits on payments for invisibles specified in paragraph 16 to 39 shall be released by the Authorized Dealers after prior verification of submitted documentary evidence demonstrating that the additional amount is needed in order to make a bonafide payment for purposes specified in the aforementioned paragraphs under advice to/with prior approval of the Foreign Exchange Operations Department, SBP-Banking Services Corporation, Karachi, as the case may be.

41. Conversion of Unspent Balance of Rupees by Foreign Nationals.

Authorized Dealers may allow conversion into foreign exchange of the unspent amount, without any limit, left with the foreign tourists out of proceeds of foreign exchange encashed by them in Pakistan with an Authorized Dealer. Re-conversion facility will be provided on production of encashment certificate (Appendix. V-9) by the foreign tourist or on the basis of endorsement recorded on his passport by an Authorized Dealer at the time of purchase of foreign exchange. The relative encashment certificate or copy of the relevant pages of passport shall be submitted to the SBP-Banking Services Corporation alongwith the monthly returns.

42. Endorsement on Passports and Tickets.

The amount of exchange sold by the Authorized Dealers together with the date on which the sale is made must be recorded on the traveller's passport under the stamp and signature of the Authorized Dealer at the time the sale is made. The endorsement should be

made on the special pages provided for the purpose. The exchange issued should also be endorsed on the first page of ticket jacket as also back side of the passengers' coupon and a hole punched in the upper right hand corner of the passengers' air/steamer ticket. Authorized Dealers should not sell any exchange unless a person holds a ticket for departure on a definite date and that such a date is not later than two weeks from the date on which the exchange is issued. No exchange should be sold against tickets which do not specify the date of departure provided that these instructions do not apply if a person is travelling by land route where only the passport will be endorsed.

43. Form in which Exchange may be issued.

(i) Exchange granted for travel purposes should be issued only in the form of travelers cheques or circular letters of credit or in foreign currency notes or coins. It may be issued in the form of T.T. or M.T. also or Draft but in such cases, it should be expressly provided that payment by the drawee bank shall be made only on the personal application and identification of the traveller. When issuing travellers cheques or circular letters of credit, the Authorized Dealers should invariably mention therein, the place and date of issue. The travelers cheques or circular letters of credit must be signed personally by the applicant in the presence of the Authorized Dealer. The travellers cheques issued against the admissible PTEQ will be branded by the Authorized Dealers with a rubber stamp containing the narration "Good for encashment outside Pakistan and in case of encashment in Pakistan, proceeds will be paid in Pakistan rupees only." The Authorized Dealers will maintain record of travellers cheques sold by them in a register with the prescribed ruling (Appendix V-84).

(ii) The release of admissible PTEQ to the travellers proceeding abroad in the shape of foreign currency notes will be restricted to US$100 only. The balance amount of admissible quota will be released in the shape of travellers cheques duly branded with rubber stamp as stipulated in the preceding sub-para.

44. Surrender by Travelers of Unspent Foreign Exchange.

Attention of the all persons granted foreign exchange for travel abroad should be drawn by the Authorized Dealer to sub section (3) of Section 4 of the Act. No person who acquires foreign exchange for travel can use it for a purpose other than for his living or travelling expenses in the country for which exchange is issued. In the case of special allotment made by the State Bank, the exchange can be utilised only for the purpose for which it is sanctioned. All unspent amounts of foreign exchange should be sold to an Authorized Dealer by the traveller immediately on his return to Pakistan. If so desired by the person concerned, the amount of foreign exchange thus surrendered may be endorsed on his/her passport.

45. Exchange for Hajj.

The Government of Pakistan announces each year the scale on which foreign exchange will be released to intending pilgrims to Saudi Arabia. Foreign exchange may be released by the designated Authorized Dealers to intending pilgrims in the form and on the scales and in accordance with the special instructions and conditions laid down by the Government for different categories of pilgrims.

45A. Remittances by Authorized Dealers on behalf of Hajj Group Organizers for Hajj.

(i) [4]Authorized Dealers may remit foreign exchange on behalf of the Hajj Group Organizers (HGOs) having been allocated quota by the Ministry of Religious Affairs & Interfaith Harmony (MoRA) under the Private Hajj Scheme for respective Hajj season subject to terms and conditions mentioned below. Authorized Dealers may obtain list of enlisted HGOs along with allocated quota in respect of each HGO from MoRA.

Authorized Dealers, on being approached, shall either open a PKR Account in the name of concerned HGO with suffix "Hajj" or use the previously opened similar account specifically for the purpose of Hajj related remittances to Saudi Arabia subject to the following:

a) While opening/activating and operating these accounts, Authorized Dealers shall strictly follow SBP's AML/KYC guidelines and ensure compliance of all related rules and regulations issued from time to time. They shall obtain all necessary documents from the concerned HGO.

b) For the purpose of effecting Hajj related remittances to Saudi Arabia, each HGO is permitted to maintain only one account with the Authorized Dealer of its choice. In this respect, Authorized Dealer shall obtain an undertaking from the HGO that it is not maintaining such account with any of the other Authorized Dealers or any other branch of the same Authorized Dealer for this purpose.

(ii) With respect to the operations of the designated accounts of HGOs in Pakistan, the Authorized Dealers will ensure that permissible deposits shall only be the PKR funds received from intending pilgrims by the HGOs. The Authorized Dealers shall obtain the list of intending pilgrims from concerned HGOs containing at least the below-mentioned details:

a) Name, address and contact details.
b) Passport No. &
c) HGO Hajj Package opted (Amount of Hajj Packages).

(iii) Authorized Dealers shall allow remittances into HGO's account maintained with a specified Saudi bank against the PKR funds collected by HGOs in terms of sub-para (ii) above. However, in case where an HGO has not been able to open/operate account in Saudi Riyal with a Saudi bank, the remittances may be allowed directly to vendors/service providers in Saudi Arabia through FDD/TT/SWIFT. In this context, Authorized Dealers must ensure the following:

a) The remittances shall only be made for meeting expenses related to housing, Maktab, catering, transportation, guides, subsistence requirements and charges of the Ministry of Hajj in respect of intending pilgrims performing Hajj from the quota allocated to the concerned HGO against authenticated underlying contracts with service providers in Saudi Arabia and submission of following information/documents by the respective HGOs:.

(aa) Detail of Hajj Package bifurcating local and foreign expenses per pilgrim.

(bb) Quota Allocation letter by MoRA for respective Hajj season.

[4] F.E. Circular No. 03 dated July 01, 2016

(cc) Invoice(s) issued by Saudi vendors in favor of which remittance is being made or FDD is being issued. However, in case final invoices are not available with the HGOs, the Authorized Dealers will ensure submission of related invoices etc. after finalization of the contracts and will allow remittances after due diligence of contracts.

b) The HGOs shall provide per pilgrim per service foreign exchange requirements to Authorized Dealers for the services mentioned at (a) above in terms of related package. Authorized Dealers shall make remittances for such services after due verification keeping in view the total quota allocated to the concerned HGO under the Private Hajj Scheme for the concerned Hajj season. However, in any case, total remittances per pilgrim into account of HGO/direct payments to vendors in Saudi Arabia should not exceed 80% of the Hajj Package being offered to the individual pilgrim.

c) In case aggregate remittance against all services by an HGO on any given day exceeds US$ 100,000/-, the concerned HGO will approach Exchange Policy Department, State Bank of Pakistan, Karachi along with related details and Form 'M' through the concerned Authorized Dealer for prior approval.

d) Head/Principal Offices of Authorized Dealers shall submit consolidated report in respect of remittance transactions to the State Bank executed on behalf of HGOs on or before the 5th day of the following month as per the prescribed format (Appendix V-140) at the email ID: hajj.epd@sbp.org.pk. Further, Authorized Dealers shall maintain complete record of these transactions for SBP's inspection.

e) It is mandatory for HGOs to repatriate the un-utilized amount to their designated bank accounts in Pakistan after completion of Hajj season. The respective Authorized Dealer shall ensure compliance of the same. Further, HGOs shall have the option to withdraw or transfer remaining PKR funds from these accounts to any other PKR account in Pakistan.

(iv) [5]Further, in order to facilitate the HGOs to make arrangements of Maktab, housing, catering, transportation, guides, etc. in Saudi Arabia, Authorized Dealers may make advance remittances on behalf of HGOs upto 30% of the Hajj Package being offered by them to the individual pilgrims. The remittances will be made on submission of the following information/documents by the respective HGOs:

(a) Authenticated underlying contract with Saudi vendor/service provider.

(b) Details of Hajj Package bifurcating projected local and foreign expenses per pilgrim.

(c) Quota Allocation letter by the Ministry of Religious Affairs & Interfaith Harmony for previous Hajj season.

(d) Undertaking from concerned HGO for repatriation of funds in case of non-performance.

(e) Invoice(s) issued by Saudi vendors/service providers in favor of which advance remittance is being made. However, in case final invoices are not available with the HGOs at the time of remittance, the Authorized Dealers will ensure receipt of related invoices subsequently.

[5] EPD Circular Letter No. 07 dated February 24, 2017

v) [6]In addition to the above, Authorized Dealers may also effect Hajj related remittances into United Agents Office, Saudi Arabia's IBAN maintained on behalf of each HGO with the External Hajj e-Service Portal. The remittances will be made on submission of following information/ documents by the respective HGOs:

a) Details of Hajj Package bifurcating local and foreign expenses per pilgrim in terms of related Hajj Package(s).
b) Undertaking from concerned HGO for repatriation of funds in case of non-utilization.

vi) Authorized Dealers must ensure receipt of all related invoices/e-invoices/vouchers, etc. from concerned HGO after finalization of the contracts, reconcile each transaction subsequently and comply with all instructions including those mentioned at Para (iii) above.

vii) While processing advance remittance request, the Authorized Dealer will take all possible measures to verify the bonafides and genuineness of the transaction. In case of non performance of contract for any reason, the Authorized Dealer and HGO will ensure repatriation of advance payment before completion of respective Hajj season.

viii) In the case of repatriation of advance payment, exchange gain, if any, will not be passed on to the HGO, rather the same will be deposited in favor of State Bank of Pakistan. To this effect, the Authorized Dealer should get consent/agreement signed by the concerned HGO at the time of effecting remittance. [7]The exchange gain should be deposited in favor of the State Bank through RTGS Clearing Account No. 427518. In this respect, a consolidated statement regarding all such cases will be submitted by Head/Principal Offices of the Authorized Dealers to the Director, Foreign Exchange Operations Department, SBP-Banking Services Corporation on monthly basis as per prescribed format (Appendix V-141).

45B Remittances by Authorized Dealers on behalf of Umrah Organizers[8]

(i) Authorized Dealers may remit foreign exchange on behalf of the Umrah Organizers (Travel Agents) subject to following terms and conditions:

a) Authorized Dealers, on being approached, shall open a PKR Account in the name of concerned Umrah Organizer with suffix "Umrah" for the purpose of Umrah related remittances to Saudi Arabia.

b) While opening and operating these accounts, Authorized Dealers shall strictly follow SBP's AML/KYC & CDD guidelines and ensure compliance of all related rules and regulations issued from time to time.

c) For the purpose of effecting remittances to Saudi Arabia, each Umrah Organizer is permitted to maintain only one account with the Authorized Dealer of its choice. In this respect, Authorized Dealer shall obtain an undertaking from the Umrah Organizer that it is not maintaining such account with any other Authorized Dealer or any other branch of the same Authorized Dealer for this purpose.

[6] EPD Letter No. 16540/EPP.8(8)P/2017 dated July 14, 2017
[7] EPD Circular Letter No. 22 dated Dec 05, 2017
[8] F.E. Circular No. 07 dated June 13, 2017

d) Authorized Dealers shall ensure that permissible deposits will only be PKR funds received from intending pilgrims by the Umrah Organizers.

e) Authorized Dealers may also effect advance remittances on behalf of Umrah Organizers to Saudi Arabia on account of booking of hotels, transport and other associated purpose(s), if any. However, Authorized Dealers must ensure that the outstanding amount of such advance payment(s) at any time should not exceed USD 30,000 or equivalent.

f) Authorized Dealers shall make remittances directly to vendors/service providers in Saudi Arabia through SWIFT/ Telegraphic Transfer/ Foreign Demand Draft.

ii) The remittances shall only be made for meeting expenses related to accommodation, transportation, fee/charges of the concerned Ministry of Saudi Arabia, if any, in respect of intending pilgrims performing Umrah on submission of the following information/documents:

a) Copy of license from the respective Department of Tourism Services.

b) Copy of registration letter by International Air Transport Association.

c) Copy of agreement/contract between Umrah Organizer and Saudi vendor/service provider. However, the Authorized Dealer should ensure that the original agreement/contract bears the attestation of the Ministry of Religious Affairs & Interfaith Harmony.

d) Invoice(s) issued by Saudi vendors in whose favor remittance is being made.

e) Consolidated information as per the prescribed format (Appendix V-142) duly filled in by Umrah Organizers. However, in case of advance remittance, the Authorized Dealers shall ensure receipt of complete information/ documents after finalization of the contracts.

f) For advance remittances, an undertaking from concerned Umrah Organizer that he shall ensure repatriation of funds in case of non/ partial performance for any reason.

iii) The Umrah Organizers shall provide per pilgrim per service foreign exchange requirements to Authorized Dealers for the services mentioned at (ii) above in terms of related package. Authorized Dealers shall make remittances for such services after due verification of above documents/information. However, in any case, total remittances per pilgrim to vendors in Saudi Arabia should not exceed Umrah Package being offered to the individual pilgrim after deducting air ticket, commission and other local charges, if any.

iv) In case intended aggregate remittance(s) by an Umrah Organizer on any given day exceeds USD 30,000 or equivalent, the concerned Authorized Dealer will approach Exchange Policy Department, SBP, Karachi along with related documents for prior approval.

v) While processing the requests for above remittances, the Authorized Dealer will take all possible measures to verify the bonafides and genuineness of information/data provided by Umrah Organizers and reconcile the same with the information issued by relevant authorities of Saudi Arabia. In case of any discrepancy, the Authorized Dealer should pursue the matter with the concerned Umrah Organizer.

vi) Head/Principal Offices of Authorized Dealers are required to submit consolidated report in respect of remittances/advance remittances effected on behalf of Umrah Organizers on or before the 5th day of the following month as per the prescribed format (Appendix V-142) at umrah.epd@sbp.org.pk. Further, Authorized Dealers shall ensure proper reporting of such remittances in their monthly foreign exchange returns and maintain complete record of these transactions for SBP's inspection.

vii) It will be mandatory for Umrah Organizers and the concerned Authorized Dealer to reconcile the receivables/payables with Saudi vendors by the last day of month of Shawal and ensure settlement of transactions and repatriation of unutilized balances, if any, by 10th of the following month.

viii) In case of repatriation of advance payment(s), exchange gain, if any, will not be passed on to the Umrah Organizer, rather the same will be deposited in favor of State Bank of Pakistan. To this effect, the Authorized Dealer should get consent/ agreement signed by the concerned Umrah Organizer. [9]The exchange gain should be deposited in favor of the State Bank through RTGS Clearing Account No. 427518. In this respect, a consolidated statement regarding all such cases will be submitted by Head/Principal Offices of the Authorized Dealers to the Director, Foreign Exchange Operations Department, SBP-Banking Services Corporation on monthly basis as per prescribed format (Appendix V-143).

46. Remittances for maintenance expenses of the families of Pakistanis living abroad temporarily.

State Bank considers requests for allowing remittances in foreign exchange on account of living expenses of families of Pakistani nationals living abroad temporarily for some genuine personal reasons and whose cases are not covered by para 23 and 38 of this chapter provided the following documents are submitted:-

(i) Application from Pakistan national resident in Pakistan indicating the purpose for which the family went abroad and the reason for its continued residence abroad and the probable period of stay abroad.

(ii) A certificate from Pakistan Embassy/High Commission in the concerned country confirming the reason of stay abroad of the family, expected period of stay, the number of persons in the family and the amount required per month for maintenance. The certificate should confirm that the concerned persons hold Pakistani passports.

47. Back to back Remittance.[10]

Authorized Dealers may issue foreign currency travelers' cheques to foreign nationals and Pakistani nationals (residents and non-residents) upto the limit prescribed under para 10(ii) Chapter 18 of the Foreign Exchange Manual (Ninth Edition) against surrendering of an equivalent amount of foreign exchange in cash.

[9] EPD Circular Letter No. 22 dated Dec 05, 2017
[10] F.E. Circular No. 22 dated December 23, 2002.

IMPORT AND EXPORT OF CURRENCY NOTES AND COIN, FOREIGN EXCHANGE, JEWELLERY, GOLD AND SILVER

1. General.

2. Import of Pakistan Currency Notes.

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CHAPTER 18

IMPORT AND EXPORT OF CURRENCY NOTES AND COIN, FOREIGN EXCHANGE, JEWELLERY, GOLD AND SILVER

1. General.

In exercise of the powers conferred by sub-section (1) of Section 8 of the Act, the Federal Government has issued Notification No.F1(8)/EF/49 dated the 2nd May, 1949 and No.1(2)ECS/48 dated the 1st July, 1948 as amended by Notification No.1(14)-EF/49 dated 5th November, 1949, prohibiting the bringing or sending into Pakistan from any place outside Pakistan, of Pakistan and foreign currency notes or bank notes, un-issued or in circulation, or coin, except with the general or special permission of the State Bank.

2. Import of Pakistan Currency Notes.

Under Notification No.-[1]F.E.2/2017-SB dated the 30th August, 2017, State Bank has granted general permission for bringing into Pakistan notes legal tender in Pakistan not exceeding Rs 3,000/- (Rupee Three Thousand Only) from India and Rs 10,000/- (Rupee Ten Thousand Only) from any country other than India, in value, in all per person at any one time.

3. Import of Foreign Currency Notes and Coin.

The State Bank has also granted under Notification No.F.E.30/49-SB dated the 5th November, 1949 and Notification No. F.E. 5/92-SB dated the 28th December, 1992 general permission to the travellers to Pakistan, to bring with them without limit foreign currency notes except un-issued notes and coin, except coin which is legal tender in India, which can be brought only up to Rs.5/- in value per person at any one time.

4. Ban on sending Pakistan and Foreign Currency Notes or Coin by Post.

The permission contained in preceding paragraphs 2 and 3 is valid only for bringing in of Pakistan or foreign currency notes or coin by travellers personally with them, but not for sending them into Pakistan by post or otherwise which is illegal. Currency notes and coin sent by post to Pakistan are liable to be confiscated, which is besides the legal action that will be taken under the Act in such cases.

5. Export of Pakistan Currency Notes.

State Bank has granted general permission vide Notification No.- [2]F.E.1/2017-SB dated the 30th August, 2017 for taking out from Pakistan currency notes of Pakistan not exceeding Rs 3,000/- (Rupee Three Thousand Only) and Rs 10,000/- (Rupee Ten Thousand Only) in value to India and any country other than India respectively, in all per person at any one time.

6. Export of Currency on Steamers and Aircrafts.

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[1] SBP Notification No. FE.2/2017-SB dated the 30th August, 2017
[2] SBP Notification No. FE.1/2017-SB dated the 30th August, 2017

The State Bank has granted general permission for export of currency which has been brought into Pakistan in the safes of vessels or aircrafts, or which has been taken on board a vessel or aircraft with the permission of the State Bank.

7. Prohibition to sell Pakistan Currency Notes abroad.

i) Pakistan currency notes up to Rs 3,000 and Rs 10,000, which the persons leaving Pakistan are permitted to take with them to India and to any country other than India respectively, are not intended for expenditure in foreign countries, but are meant for immediate expense on their return to Pakistan [3]and/or for in-flight purchases on PIA's international flights. Authorized Dealers should bring this to the notice of travellers when issuing exchange to them for travel purposes.

ii) [4]As an exception, rupee amounts encashed, at the interbank rates, from foreign currency accounts of NGOs, UN/Other Donor Agencies, funded through remittances from abroad, may also be allowed to be taken to Afghanistan without any limit. Authorized Dealers would issue Encashment Certificate and a Certificate, in duplicate, stating that the foreign currency has been encashed for the purpose of Afghanistan. One copy of this certificate would be submitted to Customs Authorities and the duplicate, stamped by Customs Authorities as 'Amount allowed to be taken out', would be kept by the concerned NGO/agency. The record of all such transactions would be kept by Authorized Dealers for SBP inspection.

8. Ban on Export of Foreign Exchange Instruments and Pakistan and Foreign Currency Notes and Coin by Post.

The permission contained in paragraphs 5 and 10(i)(d) & (e) and (ii) is valid only for taking out foreign exchange instruments and currency notes and coin by the travellers themselves, but not for sending them out by post or otherwise, which is illegal and renders the foreign currency instruments and currency notes and coin so sent liable for confiscation, besides any legal action that may be taken against the sender under the Act.

9. Import of Foreign Exchange Instruments.

The term 'foreign exchange' as defined in Section 2 of the Act means foreign currency and inter alia includes any instrument drawn, accepted, made or issued under clause (8) of Section 17 of the State Bank of Pakistan Act, 1956 and any drafts, travellers cheques, letters of credit and bills of exchange expressed or drawn in foreign currency or in Pakistan currency but payable in any foreign currency. There are no restrictions on the import of foreign exchange instruments either personally or by post or otherwise. Such restriction applies only to foreign currency notes and coin in respect of which para 4 ibid may be referred.

10. Export of Foreign Exchange.

i) In pursuance of sub-section (2) of Section 8 of the Act, the State Bank has issued Notification No. F.E.2/98-SB dated July 21st, 1998 granting general permission to: -

[3] FE Circular No.01 dated 19.01.2005
[4] FE Circular No.17 dated 03.12.2002

(a) Authorized Dealers to send out of Pakistan, cheques, drafts or bills of exchange which have been acquired by them in the normal course of their business and within the terms of their authorization.

(b) Any person maintaining an account expressed in a foreign currency, and held under any permission, general or otherwise, granted by the State Bank of Pakistan to take or send out of Pakistan, cheques or drafts drawn on such account.

(c) Any person, other than a person to whom foreign exchange is issued for travelling purposes only, to send out of Pakistan foreign exchange issued to him by an Authorized Dealer.

(d) Any person to take out of Pakistan foreign exchange issued to him by an Authorized Dealer in Pakistan and endorsed on his passport and

(e) Any person not ordinarily resident in Pakistan, to take out of Pakistan the unspent amount of foreign currency brought by him into Pakistan, provided the period of his continuous stay in Pakistan does not exceed three months.

ii) In terms of Notification No. F.E.1/2015-SB dated June 1, 2015, State Bank has granted general permission to any person to take out of Pakistan US Dollars or equivalent thereof in other foreign currencies as per the following limit:

Age Group of Person	Maximum Limit per person per visit (US$ or equivalent in other foreign currencies)	Annual Ceiling per person (US$ or equivalent in other foreign currencies)
Up to 5 years	1,000	6,000
From 5-18 years	5,000	30,000
Above 18 years	10,000	60,000

iii) [5]As an exception, NGOs, UN/Other Donor Agencies would be able to draw foreign currency from their accounts without any limit for taking it to Afghanistan to the extent of such remittances. Authorized Dealers would issue Certificates to these entities in duplicate, one copy of which would be submitted to Customs Authorities and the second would be kept by the concerned NGO/agency which would, however, be stamped by Customs Authorities as 'Amount allowed to be taken out'. The record of all such transactions would be kept by Authorized Dealers for SBP inspection.

11. Definition of Jewellery and Precious Stones.

The terms "jewellery" and "precious stones" are deemed to include all articles made wholly or mainly of gold, platinum, diamonds of all kinds, precious or semi-precious stones,

[5] FE Circular No. 17 dated 03.12.2002

pearls whether or not mounted, set or strung and articles set or mounted with diamonds, precious or semi-precious stones or pearls.

12. Import of Jewellery and Precious Stones.

Under the Act there are no restrictions on the import of jewellery and precious stones, but their import is regulated by the Import Trade Control Regulations. Import of jewellery, precious metals, precious stones, etc., by incoming passengers is regulated by the Rules made under the Customs Act.

13. Export of Jewellery and Precious Stones.

Sub-section (2) of Section 8 of the Act prohibits export from Pakistan of jewellery or precious stones except with the general or special permission of the State Bank. The State Bank has granted general permission vide its Notification No.F.E.3/85-SB dated the 15th August, 1985, under which any person can take out of Pakistan at any one time to any country outside Pakistan, precious stones or jewellery other than articles made wholly or mainly of gold as under:

(a)	India.	Nil.
(b)	Afghanistan, Bangladesh and Iran.	up to Rs.1,000/- in value
(c)	Any other country or place not mentioned in (b) above	up to Rs.2,000/- in value

No person is allowed to take any jewellery to India without the approval of the State Bank.

14. Taking out of Precious Stones and Jewellery.

(i) Under the State Bank Notification No.FE.3/85-SB dated the 15th August, 1985, any person other than a person domiciled in Pakistan or India, who is returning to his/her own country, may take with him/her any precious stones or jewellery brought by him/her into Pakistan without limit if the same had been declared to the Customs Authorities on the prescribed form at the time of his/her arrival in Pakistan, and precious stones and jewellery, other than articles made wholly or mainly of gold purchased in Pakistan up to a further Rs.10,000/- in value. The intention is that this facility will be available only to the families of foreign nationals who are working in Pakistan with the permission of the concerned authorities. Foreign nationals and overseas Pakistanis can also take out gold, jewellery, precious/semi precious stones up to the value of $10,000/- in all provided the same have been purchased against encashment of foreign exchange brought by them from abroad.

(ii) Applications to carry jewellery to India or to other countries in excess of the limit prescribed in para 13 ibid, should be made to the State Bank in duplicate on Form 'J' (AppendixV-85). The application should be accompanied by an undertaking from the traveler

that should the State Bank accede to his/her request, he/she will bring back the jewellery to Pakistan within the specified period, declare it to the Customs and produce proof thereof to the State Bank. Where such requests are allowed by the State Bank, it will issue a license for the Customs in duplicate. While the original copy of the license will be surrendered to the Customs at the time of taking out the jewellery, the duplicate thereof will be retained by the traveller. On his/her return to Pakistan, the jewellery brought back by the traveller will be declared to the Customs who will endorse the duplicate copy of the license. The duplicate copy of the license endorsed by the Customs will be produced by the travellers to the State Bank within the specified period in pursuance of the undertaking given by him/her at the time of departure.

15. Definition of Gold and Silver.

'Gold' as defined in Section 2 of the Act includes gold in the form of coin, whether legal tender or not, or in the form of bullion or ingot, whether refined or not. 'Silver' means silver bullion or ingot, silver sheets and plates which have undergone no process of manufacture subsequent to rolling and uncurrent silver coin which is not legal tender in Pakistan or elsewhere.

16. Import of Gold and Silver.

(i) The Federal Government by their Notification No.1(2) ECS/48 dated the 1st July, 1948 issued pursuant to sub-section (1) of Section 8 of the Act have prohibited, except with the general or special permission of the State Bank, the import into Pakistan from any place outside Pakistan of:

(a) any gold coin, gold bullion, gold sheets or gold ingot whether refined or not, and

(b) any silver bullion, any silver sheets or plates which have undergone no process of manufacture subsequent to rolling or any uncurrent silver coin.

Import of gold and silver into Pakistan is, therefore, subject to State Bank's authorization.

(ii) Import of pure gold/silver and rough/uncut precious and semiprecious stones will be allowed against export of gold/silver jewellery and cut and polished precious/semi-precious stones in accordance with the procedure notified by the Government of Pakistan and the instructions issued by the State Bank from time to time.

(iii) The State Bank vide its Notification No. F.E.1/94-SB dated the 20th March, 1994 has granted general permission for import of gold into Pakistan from any place outside Pakistan as accompanied baggage provided such imports are made in accordance with the existing import policy.

17. Export of Gold and Silver.

Sub-section (2) of Section 8 of the Act prohibits the export of gold except with the general or special permission of the State Bank. The State Bank, however, does not allow the export of gold.

Under the Act, there are no restrictions on the export of silver. Its export when allowed requires to be declared on form 'E' prescribed for export by the State Bank and the export proceeds are required to be repatriated within the stipulated period.

18. Declaration to Customs by Outgoing Passengers.

In terms of State Bank's Notification No.FE.4/91-SB dated the 26th February, 1991, all persons are required to declare to the Custom authorities at the time of leaving Pakistan, jewellery and precious stones carried by them in prescribed declaration Form 'CD' (Appendix V-86).

In order to ensure that the outgoing passengers do not face any difficulty in obtaining 'CD' forms and filling them at the time of their departure, airlines/shipping companies, travel agents are required to supply these forms to the intending passengers at the time of issuing the tickets so that the completed forms are with them before they enter the Custom Lounge.

CHAPTER 19

LOANS, OVERDRAFTS & GUARANTEES

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CHAPTER 19

LOANS, OVERDRAFTS & GUARANTEES

1. Regulations governing Loans and Guarantees.

Extension of loans, overdrafts and credit facilities to companies (other than Banking, Development Finance Institutions and Microfinance Companies) which are by any means controlled directly or indirectly by persons resident outside Pakistan and to residents against guarantees or collaterals lodged outside Pakistan, obtaining of loans and overdrafts in foreign currencies and giving of guarantees on behalf of residents of Pakistan in favor of non-residents or on behalf of non-residents in favor of residents, are regulated under sub-section (2) of Section 18 and Sections 4 and 5 of the Act. This chapter contains the general regulations covering grant of such loans, overdrafts, credit facilities and guarantees.

Part-A
Lending to /Borrowing by Non-Resident Pakistanis/Resident Foreign Nationals in PKR &Loans and Advances by Authorized Dealers in FCY

2. Borrowing in PKR by Foreign Controlled Companies.

Foreign controlled companies registered in Pakistan under Companies Act, 2017 are entitled to borrow from local sources in PKR for any purpose except for purchase of shares (acquisition, financing, merger financing, amalgamation financing and/or purchase of minority interest) subject to observance of the relevant Prudential Regulations issued by the State Bank and compliance of KYC and 'AML/CFT' standards. However, purpose of borrowing in such cases must be clear and documented in Authorized Dealer's and borrowing company's record.

3. Borrowings by individual Non-Resident Pakistanis and Resident Foreign Nationals.

The Authorized Dealers have general permission to grant loan to individual non-resident Pakistanis in local currency, subject to observance of the relevant Prudential Regulations and compliance of KYC and 'AML/CFT' standards. The purpose of borrowing must be clear, legitimate and duly documented. However, for purchase of immovable property, banks can lend to non-resident Pakistanis subject to the following conditions:

i. The loan will be liquidated by the borrowers through remittances from abroad in foreign exchange through normal banking channel or by debit to their foreign currency accounts which must be fed through foreign remittances.
ii. Sale proceeds of such immovable property shall not be eligible for repatriation.

Further, Authorized Dealers may also grant rupee loans to resident individual foreign nationals, except for purchasing immovable property and the purposes either restricted by the State Bank or any other prevalent law.

4. Lending/Borrowing by Non-Residents in Pakistan.

Except for above mentioned para 3, Non-Residents are not allowed to borrow or lend in local currency without the special permission of the State Bank.

5. Loans and Overdrafts against Guarantees of Non-Residents or against Collateral held outside Pakistan.

Authorized Dealers may extend PKR loans to their resident clients against guarantees of non-residents/guarantees received from banks operating abroad, subject to compliance of the Prudential Regulations. However, guarantees involving FCY outflows on account of due diligence fee, upfront fee, commission fee, guarantee premium fee etc. shall require prior approval of the State Bank.

6. Loans and Overdrafts by Authorized Dealers in Foreign Currency.

Authorized Dealers will not grant any loans or provide overdraft facility in foreign currencies in or outside Pakistan, whether secured or unsecured, except FE-25 loans without prior approval of the State Bank. Applications for granting such loans or overdrafts should be made to the State Bank mentioning purpose, particulars of the guarantee or collateral, if any, and the manner in which the loans or overdrafts are expected to be liquidated.

Part-B
Private Sector Borrowings from Abroad (PSBA)

7. **Private Sector Borrowings from Abroad.**

The term '(PSBA)' refers to foreign currency loans raised by the eligible borrowers in the private sector in Pakistan from foreign lenders in convertible foreign currencies in the form of commercial credit, supplier's credit, buyer's credit, working capital loans, inter-company loans, issuance of foreign currency bonds, structured loan facilities and FCY financing under Islamic arrangement subject to the instructions specified below for each category.

i) Common terms and conditions of PSBA.

(a) Eligible Borrowers.

The companies registered under Companies Act, 2017 and the Independent Power Producers (IPPs), except the financial intermediaries (such as banks, financial institutions, Development Finance Institutions, housing finance companies, non-banking finance companies, microfinance banks/institutions and Payment System Operators, Payment System Providers), are eligible to raise PSBA. Individuals, trusts, non-profit organizations and non-governmental organizations are not eligible to raise PSBA. However, branches of foreign companies in Pakistan opened with the permission of Board of Investment (BOI) would be eligible for PSBA subject to the conditions issued by the BOI. The long term credit rating of the aforementioned companies or their sponsors must not be lower than BB- issued by a recognized local/international credit rating agency except in the case of intercompany loans.

The requirement of long term credit rating, however, does not apply to exporters subject to the condition that the total amount of PSBA does not exceed 80% of their annual exports.

(b) Eligible Lenders.

PSBA may be raised from internationally recognized reputable sources such as Foreign Banks, International Capital Markets, Multilateral Financial Institutions (such as IFC, ADB, etc.), Government owned Development Financial Institutions, Export Credit Agencies, Suppliers of Plant & Machinery, and parent/associated companies.

The eligible borrowers shall obtain funding only from the lending institutions/lenders, who comply with the international standards (Financial Action Task Force Guidelines) of 'Anti Money Laundering (AML)' & 'Combating Financing of Terrorism (CFT)'.

(c) Security.

PSBA can be secured by any collateral/charge created on moveable or immovable property owned by the eligible borrowers/or their sponsors subject to compliance of Prudential Regulations and other applicable instructions.

In case of pledge of shares, the securities offered to raise PSBA will be governed by the regulations contained in Chapter 20 of the Foreign Exchange Manual and other relevant instructions issued by the State Bank from time to time.

Issuance of bank guarantees by the Authorized Dealers and corporate guarantees by sponsors in favor of lenders is permitted for the loans registered with the Authorized Dealer.

(d) PSBA Registration.

Authorized Dealer will register all FCY loans under this Part, after ensuring that the terms and conditions of the underlying loan agreement comply with the relevant regulations of the category against which the loan is being registered. The responsibilities of Authorized Dealers, conditions precedent and list of minimum required documents to register loan have been laid down in Part F of this chapter.

(e) Forward Cover Facility.

Authorized Dealers may extend forward cover facility to the eligible borrowers for one year or the remaining maturity of the loan (whichever is earlier) in accordance with the regulations contained in Chapter 4.

In cases where the underlying foreign loans have a tenor of more than 12-months, the tenor of the forward cover facility would be 12-months on rollover basis or the remaining tenor of the loan, whichever is less.

However, the Authorized Dealer shall ensure that the forward cover facility will not be provided for less than one month; and the borrower will not hedge the amount more than the underlying exposure, in any case.

(f) Pre-Payments.

Prepayment of PSBA will not be allowed except for the "PSBA for Project Financing", the request for which will be evaluated by the Exchange Policy Department on a case to case basis. However, swapping PSBA with local currency loans will not be allowed, in any case.

(g) Waivers/Exceptions related to PSBA.

Any waiver/exception from the terms and condition mentioned in the policy will require prior approval of the Exchange Policy Department i.e. before execution of the facility documents.

Categories of PSBA

ii) PSBA for Project Financing.

PSBA for Project Financing can be raised for meeting capitalized costs of the projects such as expenses relating to establishment of new projects, import of plant & machinery, modernization/expansion of existing projects, buying/acquiring patents/operating licenses/trademarks, procurement of technical expertise and repayment of existing PSBA in all sectors including Small & Medium Enterprises (SME) and infrastructure projects. The maturity of such loans should not be less than three (3) years.

However, funds so generated are not allowed for onward lending or investment in capital market /real estate or acquiring a company (or a part thereof) in Pakistan.

(a) Borrowing Cost Ceiling.

The borrowing cost ceiling includes spread over relevant benchmark rate, loan related insurance premium, and other loan related fees payable in foreign currency; except the commitment fee, cost & expenses and fees payable in local currency.

The All-in-cost ceiling is given as under:

Maturity Period	Borrowing Cost Ceiling excluding relevant benchmark rate
Three (03) Years to five (05) Years	350 basis points
More than five (05) Years	600 basis points

(b) Conversion of PSBA for Project Financing into Equity.

The outstanding amount of PSBA Project Loans can be converted into equity either after completion of the project or after 3 years, whichever is later, only after obtaining prior approval of Exchange Policy Department. In case of unlisted companies, the loan will be converted on the break-up value established by the external auditors included in the State Bank's approved list. Further, in case of listed companies, the loan will be converted at the average market value of previous six (6) months. The exchange rate used to convert foreign exchange liabilities into PKR in latest audited financial statements will be used to establish the rupee liability of the loan.

(c) Other Terms & Conditions.

aa) The refinancing of existing PSBA Project Loans will only be allowed subject to the condition that the fresh PSBA will be raised at a relatively lower rate of all-in-cost and/or the outstanding maturity of the original PSBA will either be maintained or extended.

bb) The amount of loan borrowed from eligible lenders can be credited in a foreign currency account opened under Para 9, Chapter 6 of the Foreign Exchange Manual for making import and consultancy payments only. However, the provisions of Para 8, Chapter 6 will remain available to IPPs.

iii). PSBA for Working Capital.

The PSBA for Working Capital can be raised for meeting the foreign currency component of working capital requirements of companies established/operating in Pakistan. However, maturity of the PSBA under this category shall range between one (01) month

and one (1) year. However, the subject loan can be rolled over for a minimum period of one (01) month.

(a) Borrowing Cost Ceiling.

The borrowing cost ceiling includes spread over relevant benchmark rate, loan related insurance premium and other loan related fees payable in foreign currency except commitment fee, cost & expenses and fees payable in local currency.
The All-in-cost ceiling is given as under:

Maturity Period	Borrowing Cost Ceiling excluding relevant benchmark rate
One (01) Month to One (01) Year	200 basis points

(b) Terms applicable to foreign contractors and foreign companies operating in branch mode.

aa) The branches of foreign companies working in Pakistan with the permission of BOI can only borrow interest free loans from their sponsors/parents.

bb) The foreign contractors/construction companies working in Pakistan with the permission of BOI and/or registered with the Pakistan Engineering Council (PEC) can borrow interest free loans from their sponsors/parents. They can repay the loans only after they conclude the contracted work/project or complete a milestone and submit the milestone completion certificate/completion certificate, issued by the relevant authority. Further, they will submit a clearance certificate issued by the Revenue Authorities, which must be attached with Form 'M'. In case the tax is not payable, a copy of exemption certificate issued by the Revenue Authorities must be submitted.

(c) Other Terms & Conditions.

The amount of loan borrowed under this category cannot be credited in a foreign currency account.

iv) PSBA for Bridge Financing.

The PSBA for Bridge Financing will be raised only for meeting the financing gap arising from outstanding project payments and delays in disbursements from committed FCY equity or PSBA for Project Financing. The maturity of the PSBA under this category shall range between six (6) months and one (1) year.

(a) Borrowing Cost Ceiling.

The borrowing cost ceiling includes spread over relevant benchmark rate, loan related insurance premium and other loan related fees payable in foreign currency, except commitment fee, cost & expenses and fees payable in local currency.
The All-in-cost ceiling is given as under:

Maturity Period	Borrowing Cost Ceiling excluding relevant benchmark rate
Six (06) Months to One (01) Year	200 basis points

The loan amount received under this category can be retained in the special foreign currency account opened under Para 9, Chapter 6 of Foreign Exchange Manual only for making payments relating to import of goods and services under the already established contracts.

v) PSBA mobilized through Securitized Instruments, Issuance of Bonds & Financing under Islamic Arrangement.

The PSBA to be mobilized through securitized instruments, issuance of bonds and Financing under Islamic Arrangement will require prior approval of the State Bank. PSBA under this category can be used for establishment of new projects, import of plant & machinery, modernization/expansion of existing projects, buying/acquiring patents/operating licenses/trademarks, procurement of technical expertise and repayment of existing PSBA in all sectors including Small & Medium Enterprises (SME) and infrastructure projects.

However, the proceeds so generated shall not be allowed to be used for onward lending, investment in capital market /real estate or acquiring a company (or a part thereof) in Pakistan.

The intending borrowers may submit the proposal to Exchange Policy Department of the State Bank through their Authorized Dealers, seeking "in-principle" approval to issue the bonds/securitized instruments in international capital/debt markets, mentioning all the necessary information including key terms and waivers required, along with the draft documents. After obtaining in-principle approval, the borrower will submit the executed agreements to obtain formal approval.

vi) Types of Loans not covered above.

Any type of foreign loan which does not fall under any of the above mentioned categories may be referred to the State Bank for consideration.

Part-C
Foreign Currency Trade Financing from Abroad (FTFA)

8. Foreign Currency Trade Financing from Abroad

The term 'FTFA' refers to credits extended for imports/exports directly by the overseas suppliers/buyers, banks and financial institutions to finance letters of credit and other overseas contractual obligations.

i) Common terms and conditions of FTFA

(a) Eligible Borrowers.

The companies registered under Companies Act, 2017and/or members of chambers of commerce, except financial intermediaries (such as banks, financial institutions, Development Finance Institutions, housing finance companies, non-banking finance companies, microfinance banks/institutions and Payment System Operators, Payment System Providers) are eligible to raise FTFA. Individuals, trusts, non-profit organizations and non-governmental organizations are not eligible to raise FTFA.

However, branches of foreign companies in Pakistan established under the permission of Board of Investment (BOI) and the subsidiaries of foreign companies incorporated in Pakistan will be eligible for FTFA subject to compliance of terms and conditions prescribed by the relevant authorities.

The long term credit rating of the aforementioned companies or their sponsors must not be lower than BB- issued by a recognized local/international credit rating agency except in the case of intercompany loans.

(b) Eligible Lenders.

FTFA can be raised from reputable internationally recognized sources such as international & multilateral financial institutions, foreign banks. Further, FTFA may also be raised from suppliers/buyers and parent companies.

The eligible borrowers shall obtain funding only from the lending institutions/lenders, who comply with the international standards (Financial Action Task Force Guidelines) of 'Anti Money Laundering (AML)' & 'Combating Financing of Terrorism (CFT)'.

(c) Registration of FTFA.

Authorized Dealer will register all FCY loans under this Part, after ensuring that the terms and conditions of the underlying loan agreement comply with the relevant regulations of the category against which the loan is being registered. The responsibilities of Authorized

Dealers, conditions precedent and list of minimum required documents to register loan have been laid down in Part F of this chapter.

(d) Waivers/Exceptions related to FTFA.

Any waiver/exception from the terms and condition mentioned in the policy will require prior approval of the Exchange Policy Department i.e. before execution of the facility documents

Categories of FTFA

ii). Import Loans under FTFA.

Eligible borrowers can obtain import loans under FTFA to finance import letters of credit and other overseas contractual obligations for transactions over USD 5 million having minimum maturity of two 2 years.

(a) Borrowing Cost Ceiling.

The borrowing cost ceiling includes spread over relevant benchmark rate, loan related insurance premium, and other loan related fees payable in foreign currency except the commitment fee, cost & expenses and fees payable in local currency.
The All-in-cost ceiling is given as under:

Maturity Period	Borrowing Cost Ceiling excluding relevant benchmark rate
Two (2) years to five (5) years.	350 basis points

The loan amount received under this category can be retained in the special foreign currency account opened under Para 9, Chapter 6 of Foreign Exchange Manual

iii). Export Loans under FTFA.

Eligible borrowers (exporters), who have firm commitments/contract with the overseas buyers for export of goods from Pakistan may obtain FTFA in convertible currencies from Eligible lenders to the extent of the value of firm commitment/contract to finance the export of goods from Pakistan. The maximum tenure of such loans will be the period generally fixed for repatriation of export proceeds plus a further period of sixty days. The exchange risk will be borne by the borrower.

(a) Borrowing Cost Ceiling.

The borrowing cost ceiling includes spread over relevant benchmark rate, loan related insurance premium and other loan related fees payable in foreign currency; except commitment fee, cost & expenses and fees payable in local currency.

The All-in-cost ceiling is given as under:

Maturity Period	Borrowing Cost Ceiling excluding relevant Benchmark rate
Up to 240 days	200 basis points

(b) Other Terms & Conditions.

aa) In case an exporter utilizes this facility, he will not be eligible to obtain export finance in local currency from a bank in Pakistan and the facility under the 'Export Refinance Scheme' for the same export commitment.

bb) The foreign currency amount of loan, upon receipt from abroad, will be converted into PKR with an Authorized Dealer in Pakistan and will not be retained in foreign currency account.

cc) The foreign currency loan will be repaid, along with interest, out of the related export proceeds.

dd) However, in case an exporter is unable to export goods against a firm contract/letter of credit against which a foreign currency loan was obtained or there is delay in realization of export proceeds, the exporter may repay the loan from the proceeds of other export consignment provided no such foreign currency loan has been obtained against the substituted underlying contract/letter of credit. The exporter may also make the repayment of loan from exporter's foreign currency retention account.

Part-D
Financial Sector Borrowings from Abroad (FSBA)

9. Financial Sector Borrowings from Abroad

The term 'FSBA' refers to foreign currency borrowings from abroad by the eligible borrowers operating in the financial sector of Pakistan. The FSBAs are only allowed in convertible currencies.

i) Common terms and conditions of FSBA.

(a) Eligible Borrowers.

The FSBAs can be raised from the eligible lenders by the banks, financial institutions, Development Finance Institutions, housing finance companies, non-banking finance companies, microfinance banks/institutions, Payment System Operators, Payment System Providers and the branches/subsidiaries of foreign banks operating in Pakistan.

While the requests from the Authorized Dealers/banks working in Public Sector for raising FSBAs will be dealt with at Exchange Policy Department of the State Bank, the

Economic Affairs Division, Government of Pakistan will deal with the requests received from all other Public Sector Enterprises (PSEs) operating in financial sector of Pakistan.

(b) Eligible Lenders.

FSBA can be raised from the international financial institutions, donor agencies, specialized banks/institutions and the overseas branches/correspondents of the Authorized Dealers (banks) in Pakistan.

The eligible borrowers shall obtain funding only from the reputable international lending institutions/lenders, who comply with the international standards (Financial Action Task Force Guidelines) of 'Anti Money Laundering (AML)' & 'Combating Financing of Terrorism (CFT)'.

(c) Registration of FSBA.

Authorized Dealer will register all FCY loans, except overdraft facilities, under this Part, after ensuring that the terms and conditions of the underlying loan agreement comply with the relevant regulations of the category against which the loan is being registered. The responsibilities of Authorized Dealers, conditions precedent and list of minimum required documents to register loan has been laid down in Part F of this chapter

(d) Pre-Payment

The request for prepayment of FSBA will be evaluated by the State Bank on a case to case basis.

ii) Credit Lines/Overdrafts established by Authorized Dealers with Correspondents/Overseas Branches.

Authorized Dealers may obtain short-term loans and credit lines from their overseas branches and correspondents to meet liquidity shortage in domestic foreign exchange market or to meet their Nostro funding requirement. The maximum maturity of such loan/credit line will be seven (7) days.

(a) Borrowing Cost Ceiling.

The borrowing cost ceiling includes spread over relevant benchmark rate and other fees/ expenses payable in foreign currency.

The All-in-cost ceiling is given as under:

Maturity Period	Borrowing Cost Ceiling excluding relevant benchmark rate
Up to seven (7) days	100 basis points

(b) Other Terms & Conditions.

aa) If such loans or overdrafts are required to be secured by collateral to be lodged in Pakistan or elsewhere, full details of the proposed arrangements should be furnished to the Exchange Policy Department of the State Bank for prior approval.

bb) Interest on short-term loans and credit lines availed under this para may be remitted by Authorized Dealers without the prior approval of the State Bank.

iii) FSBA by Authorized Dealers/Banks and Branches/Subsidiaries of Foreign Banks in Pakistan for Liquidity Management Purpose.

The Purpose of FSBA by Authorized Dealers/Banks and the branches and subsidiaries of foreign banks shall be for liquidity management. The maturity of FSBA under this category shall be from one (01) month to one (1) year. However, the subject loan can be rolled over for a minimum period of one (01) month.

(a) Borrowing Cost Ceiling.

The borrowing cost ceiling includes spread over relevant benchmark rate, loan related insurance premium and other loan related fees payable in foreign currency except the commitment fee, cost & expenses and fees payable in local currency.

The All-in-cost ceiling is given as under:

Maturity Period	**Borrowing Cost Ceiling excluding relevant benchmark rate**
One (01) Month to One (01) Year	350 basis points

(b) Threshold.

Under this category of FSBA, the eligible borrower can borrow foreign currency up to 100% of its unimpaired capital, from an eligible lender, as per its latest audited financial statements subject to compliance of other applicable rules and regulations.

(c) Other Terms & Conditions.

aa) The Authorized Dealers/banks and the branches of foreign banks in Pakistan are not allowed to offer any security/collateral/guarantee whatsoever to the lenders under FSBA, as the borrowing will be clean and based on balance sheet strength.

bb) Borrowing Authorized Dealer/bank will be allowed to deploy the loan proceeds locally in interbank market including financing of trade transactions.

iv) Long Term FSBA by Authorized Dealer.

In case, an eligible borrower under this category intends to borrow funds from abroad for a period longer than one year or for a purpose other than the liquidity management, the Authorized Dealer shall submit the request to the Director – Exchange Policy Department, State Bank of Pakistan, Karachi. Such requests shall be considered by the State Bank on their merit, on a case to case basis.

v) FSBA by Micro Finance Banks/Institutions in Pakistan.

The purpose of FSBA by Micro Finance banks/institutions shall be the financing of their loan portfolio only. The minimum maturity of the loan will be two (2) years.

(a) Cost of Borrowing.

The cost of borrowing will be negotiable which shall be competitive with the prevailing rate in local market. Micro Finance Banks/Institutions shall submit the local quotes of interest rate from local lending institutions, if cost of borrowing from international institutions is higher than LIBOR + 5%.

(b) Other Terms & Conditions.

aa) The disbursed FCY funds will immediately be converted into PKR and credited to borrowing Micro Finance bank's/institution's PKR account maintained with the concerned Authorized Dealer in Pakistan. Under no circumstances, Micro Finance Banks/Institutions will be allowed to retain such funds in foreign currency.

bb) Authorized Dealers may provide forward cover/hedging facility on the foreign currency loans to the Micro Finance Banks/Institutions in accordance with the prevailing foreign exchange regulations.

cc) Issuance of guarantees by sponsor/donors in favor of lenders is permitted under the loan registered with the Authorized Dealers for FSBA by Micro Finance Banks/Institutions in Pakistan**.**

vi) FSBA by other Financial Institutions i.e. NBFIs, DFIs, PSOs, PSPs, Leasing Companies, House Building Finance Companies and Insurance Companies.

In case, any other financial institution not covered above, such as Non-Banking Financial Institutions working in Pakistan, deem it necessary to borrow from abroad, they will approach the Director – Exchange Policy Department (SBP) clearly specifying the purpose of borrowing, along with all the supporting documents, for seeking prior permission before execution of facility documents.

State Bank will consider the request on its merit, on a case to case basis.

Part-E
Guarantees

Definition.

For the purposes of Section 18(2) of the Act the guarantees on behalf of private sector will be governed under Prudential Regulations (R-7) 'Guarantees', in addition to specific clauses given below.

10. Guarantees on behalf of Residents of Pakistan in favor of Non-residents.

Except in cases covered in paragraph 14, prior approval is required for giving any guarantee or undertaking or opening of a letter of credit/Standby Letter of Credit, the issuance/opening of which may involve payment to a non-resident either in foreign currency or Rupees. Applications seeking permission for giving guarantees related to FCY borrowing from abroad (except as may otherwise be allowed by the State Bank) or equity investment abroad will be forwarded to Director, Exchange Policy Department, State Bank of Pakistan. While, all other cases related to guarantee will be forwarded to Director, Foreign Exchange Operations Department, State Bank of Pakistan-Banking Services Corporation. These applications will be made by letter giving full particulars of the guarantee/SBLC or under-taking viz., the amount, the period and the purpose of the guarantee and the terms of payment in the event of the guarantee being invoked. These restrictions also apply to renewal of such guarantees, undertakings, letters of credit/Standby Letter of Credit etc. Such applications for renewal may be forwarded by the Authorized Dealers to the Director, Exchange Policy Department, State Bank of Pakistan/ Director, Foreign Exchange Operations Department, State Bank of Pakistan-Banking Services Corporation, stating the extent up to which the facilities covered by the guarantees were utilized during the previous twelve months or during the validity of the guarantees etc., if the period involved is less than 12 months.

In case the guarantee is invoked, the particulars of the case should be reported by the concerned Authorized Dealer to the State Bank/SBP BSC within a week.

However, restrictions imposed above shall not apply to the establishment of letters of credit or similar undertakings by the Authorized Dealers to finance imports into Pakistan in accordance with the provisions of Chapter-13.

11. Guarantees on behalf of Non-Residents in favor of Residents of Pakistan.

Prior approval is required for giving guarantees or undertakings in favor of residents in Pakistan by or on behalf of non-residents or against overseas guarantees or collaterals lodged outside Pakistan. This restriction does not, however, apply to cases covered under paras 14 and 15 or where the guarantee is being extended by the Authorized Dealer on the basis of a back-to-back guarantee from its overseas branch or correspondent. Applications for this purpose should be made by Authorized Dealer to the Director, Foreign Exchange Operations Department, State Bank of Pakistan-Banking Services Corporation giving full particulars including the amount, the period and the purpose of

the guarantee and the manner in which the Authorized Dealer will be reimbursed in the event of the guarantee is being implemented. Renewal of such guarantees also requires the prior permission of the State Bank of Pakistan-Banking Services Corporation. While forwarding applications, Authorized Dealers should state the extent to which the facilities covered by the guarantee or undertaking etc. have been utilized during the previous 12 months or such shorter period for which the facilities remained available.

In case the guarantee is invoked, the particulars of the case should be reported by the concerned Authorized Dealer to SBP-BSC within a week.

However, restrictions imposed above shall not apply to advising of export letters of credit established by non-resident banks nor to negotiation of documents thereunder.

12. Performance/Bid Bond Guarantees.

Authorized Dealers and those Insurance Companies which are being regulated by Securities & Exchange Commission of Pakistan for the above purpose, may issue Performance or Bid Bond Guarantees on behalf of exporters, members of recognized Consultancy/Construction Associations and Companies approved by Pakistan Engineering Council (PEC) in Pakistan subject to the following conditions:

i) Tenders specifically call for furnishing of such guarantees.

ii) The beneficiary abroad is a foreign Government or a Government sponsored Organization or a private company or a firm.

iii) The tenderer is a bonafide exporter or a manufacturer of commodity which is specified in the tender and there is no restriction on its export from Pakistan.

iv) In case of Consultancy/Construction firms and Engineering firms recognized by Pakistan Engineering Council, the organization issuing the performance or bid bond must satisfy itself that the tenderer is a bonafide Consultancy/Engineering firm, having the requisite financial and technical resources and there are reasonable prospects of their being able to successfully execute the contract. Companies with poor track record will not be eligible.

13. Remittances under Guarantees or Performance Bonds and their Reporting to the State Bank.

Authorized Dealers may effect remittances against the Performance Guarantees or bonds issued by them or by the Pakistan Insurance Corporation or National Insurance Company Limited or those Insurance Companies - which are being regulated by Securities & Exchange Commission of Pakistan only if remittances become necessary for

the implementation of such Performance Guarantees or bonds. In those cases, Authorized Dealers should minutely scrutinize the terms of Para 12 and satisfy themselves that the amount has become payable to the beneficiaries due to the default of the party in Pakistan. While reporting remittances made against such Performance Guarantees/Bonds to the concerned area office of Foreign Exchange Operations Department, State Bank of Pakistan-Banking Services Corporation in their monthly foreign exchange returns, the Authorized Dealers will bunch Forms 'M' with the documents given below along with the covering statement in duplicate as per Form (Appendix V- 94):

i) Copy of the Guarantee or Performance Bond.

ii) Copy of the claim received by the foreign bank from the concerned Government or the Government institutions or a private company or a firm demanding such payment.

iii) Copy of correspondence, if any, exchanged between the foreign bank and foreign government or Government Institution or a private company or a firm.

iv) Copy of correspondence exchanged by the firm in Pakistan on whose behalf Guarantee/Bond was issued with the concerned foreign Government or Government Institution or a private company or a firm about invoking of the Guarantee/Bond by the latter.

14. Guarantees which may be given without prior approval of the State Bank.

The restrictions in paragraphs 10 and 11 do not apply to guarantees given by Authorized Dealers in favor of non-residents on behalf of their customers in the ordinary course of their business in respect of missing documents, authentication of signatures, release of goods on Trust Receipts and defects in documents negotiated by them under letters of credit etc.

15. Guarantees and Collaterals in favor of Overseas Bank Branches and Correspondents.

Authorized Dealers shall not, without the prior approval of the State Bank, furnish guarantees to the overseas bank branches or correspondents or hold collaterals on their behalf in respect for any credit facilities, guarantees the latter may give or for any other purpose. All applications for this purpose should be made to Director, Exchange Policy Department, State Bank of Pakistan by letter giving full details of the guarantees or collaterals, as the case may be, and that of underlying transaction in cover of which guarantee is proposed to be given or collaterals deposited.

16. Guarantees in favor of Government Departments/Ministries/Public Sector Entities (PSEs).

Authorized Dealers may issue foreign currency guarantees on behalf of residents and non-residents in favor of Government departments/ministries and PSEs, subject to the compliance of Prudential Regulations and other regulations issued by the State Bank.

In case the guarantee in foreign currency is invoked, the amount will be paid in equivalent Pak Rupees to the concerned Government department/ministry/PSE.

17. Renewal of Loans and Overdrafts.

In cases where the extension/issuance of loans, overdrafts or guarantees requires the prior approval of the State Bank/SBP-Banking Services Corporation, the renewal of such loans, overdrafts or guarantees shall also require their prior approval.

Part-F
Minimum Requirements for Loan Registration

18. Procedure to Register the Loan.

i) Responsibilities of Authorized Dealers.

a) Authorized Dealers will maintain a centralized loan database of outstanding FCY loans.
b) Authorized Dealers will ensure the compliance of KYC/AML/CFT guidelines issued by the State Bank from time to time.
c) It will be the responsibility of Authorized Dealers to maintain the record of beneficial owners/directors of the borrowers and lenders.
d) Authorized Dealers will be responsible to register the loan before executing any transaction for their clients.
e) Authorized Dealers are allowed to effect all the loan related remittances such as principal, interest and other fees, as per re-payment schedule, after registering the loan except PSBA for project financing and FTFA for import loans. However, remittances of principal, interest and other fees against PSBA for project financing and FTFA for import loans, are allowed only after registration of repayment schedule with the State Bank.
f) While registering the loan, Authorized Dealers, will ensure that the underlying loan agreement is compliant with all the terms and conditions mentioned in the relevant category. Further, Authorized Dealer will maintain all the category-wise documents as mentioned below at all times.
g) Authorized Dealer shall ensure to have independent assessment of each FCY loan proposal/transaction from money laundering/ terrorism financing risk and foreign exchange risk perspective by their Compliance or Risk Management department

prior to registration of the loan agreement. For this purpose, Authorized Dealer shall also conduct appropriate due diligence of the proposal including particulars of lender and shall determine the ultimate beneficial ownership, in case it is not Financial Institution/International Financial Institution. Further, Authorized Dealers shall conduct annual focused Internal Audit of FCY Loan Registration function.

ii) PSBA for Project Financing.

- **Documentation Requirement.**

a) Original loan/credit agreement.
b) A list of the company's Directors along with their National identity numbers/ passport number and certified true copies of the same.
c) Beneficial ownership of the borrower.
d) Project report showing the details of the project including its cost (showing breakup of local and foreign component).
e) Location of the project & a copy of Certificate of Incorporation of the company.
f) In the case of Buyer's Credit arranged by the foreign supplier, authenticated copy of the purchase contract.
g) For intercompany loans, documentary evidence of the relationship between the companies.
h) For exporter, documentary evidence and data of last year's exports.

- **Other conditions.**

i) In case of Supplier Credit/ Buyer Credit arranged by the foreign supplier, the remittance of down payment will be made by the Authorized Dealers to the extent provided in the agreement, after registering the loan
j) The interim payments during the gap between loan registration and repayment schedule registration, Authorized Dealer will approach Exchange Policy Department, State Bank of Pakistan for the permission to remit principal repayments and interest payments. However, for all loan related fees/expenses, Authorized Dealer will approach Foreign Exchange Operations Department, SBP-Banking Services Corporation for obtaining prior permission to effect the remittance, accordingly.
k) The Authorized Dealer will furnish the following documents to Exchange Policy Department, State Bank of Pakistan, Karachi for Repayment Schedule (V-87) registration:

aa) In case of direct disbursement, Authorized Dealer shall submit Proceed Realization Certificates.

bb) In case of import of plant & machinery, Authorized Dealer shall submit Exchange Entitlement Certificates issued by Foreign Exchange Operations Department, SBP-Banking Services Corporation.

cc) In case of import of services, Authorized Dealer shall submit External Auditor's Certificate confirming the amount of PSBA utilized for the subject payments along with the original agreement and invoices.

l) Once the liability to the foreign lender is established through aforementioned documents, the repayment schedule as per Form 'V-87'willbe submitted to Exchange Policy Department, State Bank of Pakistan, Karachi in quadruplicate through the Authorized Dealer. Further, the aforementioned repayment schedule shall be submitted within One (01) month of completion of loan disbursement/ project (whichever is earlier).

m) After that, the Authorized Dealer will affect the remittance of principal, interest and other fees and shall maintain a copy of the repayment schedule, a certificate confirming the applicable benchmark rate, a certificate confirming payment and copy of schedule of applicable Taxes attached with the Form 'M' indicating LRN. .

iii) PSBA for Working Capital/ Bridge Financing.

- **Documentation Requirement.**

a) The original loan/credit agreement.
b) A list of the company's Directors along with their National identity numbers/ passport number and certified true copies of the same.
c) Beneficial ownership of the borrower.
d) An authenticated copy of the final repayment schedule (as per Appendix V-92).

- **Other conditions.**

e) On complete disbursement of foreign currency loan, as per the underlying loan agreement, the Authorized Dealer will maintain the Proceeds Realization Certificates (PRC)/Certificate of Deposit in original.
f) The Authorized Dealer can affect the remittance of principal, interest and other fees, once the loan is registered. A copy of the Proceeds Realization Certificate (PRC), a certificate confirming the applicable benchmark rate and a certificate confirming payment of applicable taxes will be attached with the Form 'M' indicating LRN as remittance authority shall be maintained with Authorized Dealer at all times.

iv) PSBA for Securitized Instruments/Bonds & Financing under Islamic Arrangement.

- **Documentation Requirement.**

a) Request from the issuer along with the related prospectus of the issue.
b) Beneficial ownership of the borrower.
c) Industry analysis, yield curves and ratings of other bonds/Term Finance Certificates issued by the industry.
d) Rating of the issuer and the instrument by the recognized local or international rating agency.
e) Details of utilizations of the proceeds.
f) Repayment mechanism and obligations.
g) In case of Islamic financing/securitized instruments, the details of underlying asset (s).
h) Shariah compliance certificate in case of Sukuk issuance.

v) Financial Sector Borrowings from Abroad (FSBA).

- **Documentation Requirement.**

a) The original loan/credit agreement/swift message.
b) A copy of the final expected repayment schedule.

- **Other Conditions.**

c) The Authorized Dealer will report the transaction on Appendix V-93 till maturity of the loan.
d) After registration of loan, Authorized Dealer can remit principal repayments and interest payments.

vi) Credit Lines/Overdrafts established by Authorized Dealers with Correspondents/ Overseas Branches.

- **Documentation Requirement.**

a) The original loan/credit agreement.

- **Other Conditions.**

b) Authorized Dealer will subsequently report the transaction to the Statistics & Data Warehouse Department of the State Bank.

vii) FSBAs to be raised by Micro Finance Banks/Institutions in Pakistan.

- **Documentation requirements**

a) Request letter duly signed by the CEO/CFO of the borrowing bank/ institution.

b) Original loan/credit agreement.
c) A copy of the final repayment schedule on Appendix V-92.
d) An undertaking by the borrower bank/institution that the loan agreement is compliant with the provisions of legal and regulatory framework applicable to the lender and the borrower.

- **Other Conditions.**

e) Upon complete disbursement of foreign currency loan in accordance with the underlying loan agreement, the Authorized Dealer will keep the Proceeds Realization Certificates, in original, on its record.
f) The Authorized Dealer can remit principal and interest, once the loan is registered. A copy of the Proceeds Realization Certificate, a certificate confirming the applicable benchmark rate and a certificate confirming payment of applicable taxes will be attached with the Form 'M' indicating LRN, as remittance authority shall be maintained with Authorized Dealer at all times.

viii) Long Term FSBAs to be raised by the Authorized Dealers.

- **Documentation Requirement.**

a) Request letter duly signed by the President/CEO of the applicant institution.
b) Purpose and rationale for raising such loans.
c) Details of utilizations of the proceeds.
d) Repayment schedule and mechanism.
e) Details of the collaterals or other securities offered.

ix) FSBAs to be raised by other Financial Institutions i.e. NBFIs, Leasing Companies, House Building Finance Companies & Insurance Companies.

- **Documentation Requirements.**

a) Request letter duly signed by the President/CEO of the applicant institution.
b) Purpose and rationale for raising such loans.
c) Details of utilization of the proceeds.
d) Repayment schedule and mechanism.
e) Details of the collaterals or other securities offered.

x) Import Loan under FTFA.

- **Documentation Requirements.**

a) Request letter duly signed by the importer.
b) A list of the company's Directors along with their National identity numbers/ passport number and certified true copies of the same.

c) Beneficial ownership of the borrower.
d) Loan Agreement, in original,
e) Detail of Goods to be imported, under the subject agreement, along with the timelines involved therein.
f) In case of Buyer's credit, the Purchase Contract, in original.

- **Other Conditions.**

g) The interim payments during the gap between obtaining loan registration number and repayment schedule registration, Authorized Dealer will approach Exchange Policy Department, State Bank of Pakistan, Karachi to get permission to remit principal repayments and interest payments.
h) Once the liability to the foreign lender/supplier of plant and machinery etc. is established through Exchange Entitlement Certificates (EEC), the repayment schedule as per Appendix V-87 will be submitted to Exchange Policy Department, State Bank of Pakistan, Karachi in quadruplicate through the same Authorized Dealer.
i) The Authorized Dealer will subsequently remit the principal, interest and other fees, if required. A copy of the repayment schedule, a certificate confirming the applicable benchmark rate, a certificate confirming payment and copy of repayment schedule of applicable taxes will be attached with the Form 'M' indicating LRN, as remittance authority shall be maintained with Authorized Dealer at all times..

xi) Export Loans under FTFA.

- **Documentation Requirements.**

a) Request letter duly signed by the exporter.
b) A list of the company's Directors along with their National identity numbers/ passport number and certified true copies of the same.
c) Beneficial ownership of the borrower.
d) Loan Agreement in original.
e) Copy of the relevant Letter of Credit.
f) A copy of the final repayment schedule (Appendix V-92).

- **Other Conditions.**

g) Upon complete disbursement of foreign currency loan in accordance with the underlying loan agreement, the Authorized Dealer will keep the Proceeds Realization Certificates (PRC) in original, on its record.
h) The Authorized Dealer will remit the principal and interest, once the loan is registered. A copy of the Proceeds Realization Certificate, a certificate confirming the applicable benchmark rate and a certificate confirming payment of applicable taxes, will be attached with the Form 'M' indicating

LRN, as remittance authority shall be maintained with Authorized Dealer at all times.

xii) Guarantees.

- **Documentation Requirements.**

a) Authorized Dealer's letter containing full details/ comments/recommendations.
b) Applicant's request.
c) A list of the company's Directors along with their National identity numbers/ passport number and certified true copies of the same.
d) Format of Bank Guarantee.
e) Copy of Agreement.
f) Copy of purchase order/contract, in case of advance payment guarantee.
g) Details of claims received against guarantee at the time of request for renewal of Bank guarantee, if any.

xiii) Any other documents/information.

In addition to the documents mentioned above, the State Bank may ask for any other document/ information, as and when deemed necessary.

Part-G
Reporting Mechanism

19. Reporting Requirements.

i. For reporting foreign private loans (FPL) data on DAP, all Authorized Dealers will be responsible to ensure that the Loan Registration Number (LRN) is obtained from Statistics & Data Warehouse Department (S&DWH) by 5th of the following month by providing information along with repayment schedule as per formats given at Appendix V-146. The subject data will be reported on FCY loans portal of Statistics & Data Warehouse Department, State Bank of Pakistan with proper purpose codes assigned by the same department.
ii. Authorized Dealers will ensure that repayment schedules of all FCY loans are updated on the FCY loans portal at all times after obtaining the registration number.

20. Subsequent Amendments (if any) in the underlying Loan Agreement.

Authorized Dealers will ensure that any subsequent changes/amendments in the terms and conditions of the underlying Loan Agreement should comply with the relevant regulations of the category against which the loan was registered. The Authorized Dealers will also maintain record of all such changes/amendments.

21. Regulatory Action on account of Non-Compliance of Rules and Regulations.

In case of non-compliance of rules and regulations and non-submission/late submission of any of the above mentioned returns/ reports, regulatory action shall be taken against concerned Authorized Dealer under the provisions of the Foreign Exchange Regulation Act, 1947.

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CHAPTER 20

SECURITIES

1. Definitions.

2. Import of Securities.

3. Export of Foreign Securities.

4. Export of Pakistani Securities.

5. Transfer of Securities to Non-Residents.

6. General Exemption.

7. Procedure for issue of Shares.

8. Issue of Securities and NIT Units to Persons Resident outside Pakistan on non-repatriation basis and its transfer on the same basis.

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   (B) Trading of Pakistan Investment Bonds, Treasury Bills, Registered Corporate Debt Instruments and WAPDA's Registered Bonds listed with Stock Exchanges in the Secondary Market.

10. Special Instructions regarding shares transferred under Central Depository System (CDS) of Central Depository Companies (CDC).

11. Investment by branches of Foreign Banks and Foreign Controlled Investment Banks.

12. Transfers between Registers etc.

13. Investment Abroad by Residents.

14. Investment Abroad by Locally Established Mutual Funds.

15. Registration of Foreign Securities.

16. Under-writing of shares, term certificates and Modaraba certificates by foreign banks.

CHAPTER 20

SECURITIES

1. Definitions.

Section 2 of the Act defines "security" as shares, stocks, bonds, debentures, debenture stock and Government securities as defined in the Securities Act, 1920, deposit receipts in respect of deposit of securities and units or sub-units of unit trusts but does not include bills of exchange or promissory notes other than Government promissory notes. A "foreign security" is defined as a security issued elsewhere than in Pakistan and any security the principal of or interest on which is payable in any foreign currency or elsewhere than in Pakistan. For the purpose of Section 13 of the Act, the term "security" also includes coupons or warrants representing dividends or interest and life or endowment insurance policies.

For the purposes of Section 13 of the Act, the term "a person resident outside Pakistan" covers a foreign national including a foreign national of Indo-Pakistan origin as also a Pakistani holding dual nationality for the time being resident in Pakistan and a company registered in Pakistan which is controlled directly or indirectly by a person resident outside Pakistan. In this connection a reference is also invited to para 2 of Chapter-19.

2. Import of Securities.

There are no restrictions under the Act on import into Pakistan of any securities whether Pakistani or foreign.

3. Export of Foreign Securities.

A Pakistan national resident in Pakistan who is, or becomes owner of foreign securities is permitted to hold or retain such securities provided he has acquired them in a manner not involving a breach or violation of the Foreign Exchange regulations. In terms of clause (a) of sub-section 1 of Section 13 of the Act, the taking or sending of any securities to any place outside Pakistan except with the general or special permission of the State Bank, is prohibited. Persons in Pakistan who are holders of foreign securities and who wish to send such securities to banks, brokers or agents abroad for purpose of sale, transfer, etc., should apply to the State Bank through an Authorized Dealer for necessary export licence.

Permission for export of such securities will be granted provided the securities are sent through an Authorized Dealer who should give an undertaking that the securities will be received back in Pakistan within a specified period or in the case of sale, the sale proceeds in foreign currency will be repatriated to Pakistan. State Bank may also consider applications for exchange of foreign shares and/or securities held by residents of Pakistan with Pakistan shares and/or securities held by residents abroad. Applications for this purpose should be made to the State Bank through an Authorized Dealer or stock and share broker.

4. Export of Pakistani Securities.

Pakistan Nationals as also "persons resident outside Pakistan" holding Pakistani securities desirous of sending or taking out the Pakistani securities not covered under the succeeding paragraphs 6 & 7 are required to obtain prior permission of the State Bank. Application for the purpose should be made to the State Bank through an Authorized Dealer.

5. Transfer of Securities to Non-Residents.

In terms of clause (b) of sub-section 1 of Section 13 of the Act, transfer of any security or creation or transfer of any interest in a security to, or in favour of "a person resident outside Pakistan" is prohibited except with the general or special permission of the State Bank. The above prohibition applies to transfer of (i) all Pakistani securities (i.e. securities expressed to be payable in Pakistan currency or registered in Pakistan) whether held by persons resident in or outside Pakistan and (ii) all foreign securities held by Pakistan nationals. Pledging or hypothecation of securities to or in favour of non-residents e.g., as collateral or security for credit facilities abroad, (see Chapter 19) or utilizing them for forming trusts or settlements of which a non-resident is the beneficiary is also prohibited under Section 13 of the Act. In the case of securities registered in Pakistan, the companies concerned must obtain permission of the State Bank before registering its transfer in the name of "persons resident outside Pakistan". In terms of Section 13 of the Act, Authorized Dealers are required to obtain permission of the State Bank before purchasing shares or securities registered in Pakistan on behalf of "persons resident outside Pakistan".

6. General Exemption.

The State Bank has granted general exemption from the provision of section 13(1) of the Act in connection with the issue, transfer and export of securities on repatriation basis as mentioned in sub para (B) to those non residents who are covered by sub para (A) provided:

i) The issue price or purchase price as applicable, is paid in foreign exchange through normal banking channel by remittance from abroad or out of foreign currency account maintained by the subscriber/purchaser in Pakistan, except in case of issue of bonus shares and transfer of shares as stated in sub-paragraph B (v).

ii) The purchase price (whether negotiated privately or otherwise) is not less than the price quoted on the stock exchange(s) of the country, in the case of listed securities, and the break up value of shares, as certified by a practicing Chartered Accountant, in the case of unlisted securities.

(A) (I) A Pakistan national resident outside Pakistan.

(II) A person who holds dual nationality including Pakistan nationality, whether living in or outside Pakistan.

(III) A foreign national, whether living in or outside Pakistan.

(IV) A firm (including a partnership) or trust or mutual fund registered and functioning outside Pakistan, excluding entities owned or controlled by a foreign government.

(B) The above exemption applies in the following cases: -

(I) Issue of shares including Modaraba Certificates/Trust and Fund Units out of new public offers, irrespective of the nature of business of the company.

(II) Transfer of shares quoted on Stock Exchange(s) of the country, irrespective of the nature of business of the company.

(III) Private placement of new/initial shares with foreign investors by a public or private limited company, which is,

(a) a manufacturing company (for this purpose, power generation companies/energy related infrastructure companies, producers of computer software and companies established to set up software technology parks i.e. technology centres for developing computer Software packages/programs are treated as manufacturing concerns).

(b) engaged in those activities in Service, Infrastructure, Social and Agriculture etc. Sectors which are open to foreign investors as per prevalent Investment Policy of the Government provided the conditions prescribed therein have been fulfilled and 'Entitlement Certificate' certifying the value of foreign investment obtained from the State Bank of Pakistan.

(IV) Transfer of shares of companies covered by sub para (III).

(V) Transfer of Pakistani securities held by a "person resident outside Pakistan" on repatriable basis to other eligible 'persons resident outside Pakistan' on the same basis against payment outside Pakistan provided a certificate to this effect is given by the transferee to the company concerned.

(VI) Issue of rights shares and bonus shares in all those cases where shares are held on repatriable basis by 'persons resident outside Pakistan' in accordance with the general or special permission of the State Bank.

(VII) Issue of Government securities to persons mentioned in sub-para (A) (III).

(VIII) Issue/transfer of rupee denominated corporate debt instruments viz. Participation Term Certificates/Term Finance Certificates etc. and Registered WAPDA Bonds as permitted under the relevant SRO governing issue and sale of such bonds.

(IX) Issue of NIT Units to persons mentioned in sub para (A) (I, II & III).

(C) Companies issuing shares to a 'person resident outside Pakistan/registering transfer of shares in favour of such persons, in accordance with the exemptions provided in sub paragraphs (A) and (B) and the buyers and the sellers of the shares so issued or transferred are exempted from the operation of restrictions contained in Section 18(1) of the Foreign Exchange Regulation Act, 1947.

7. Procedure for issue of Shares.

(i) Companies issuing shares out of new public offers on repatriable basis, as permitted under sub para (B) (I) of preceding paragraph 6, may open foreign currency collection accounts with banks abroad or in Pakistan for receiving the subscription in foreign currency. They may also allow refunds from these accounts to unsuccessful applicants. The amount subscribed by the successful applicants should be repatriated to Pakistan and foreign currency accounts closed within a week of allotment of shares. Proceeds Realization Certificate in evidence of subscription money having been repatriated to Pakistan shall be obtained by the company from the concerned Authorized Dealer for submission in original to the designated Authorized Dealer with the form prescribed at Appendix V- 95.

(ii) In the case of remittance of subscription money directly to Pakistan and its payment to the company's rupee account, shares may be issued for the rupee equivalent paid by the concerned Authorized Dealer as shown in the Proceeds Realization Certificate (s).

(iii) In case shares are to be issued to non-resident sponsors against the value of plant and machinery supplied by them, an application should be submitted to the area office of the Foreign Exchange Operations Department for issue of an Exchange Entitlement Certificate along with the relative import documents viz. original invoices, original bills of entry, copies of bills of lading or airway bills and import permit/import authorization from Trade Development Authority of Pakistan, if applicable. The Exchange Entitlement Certificate will be issued by the area office of Foreign Exchange Operations Department at the average of interbank buying and selling rates on the dates of filing of bills of entry with the Customs. Once the Exchange Entitlement Certificate has been issued by the area office of Foreign Exchange Operations Department, the company may issue the shares upto the value mentioned in the Certificate to the non-resident sponsors.

(iv) In case the non-resident sponsors want to pay their contribution to the equity in foreign currency and such payments are retained in a foreign currency account opened with an Authorized Dealer in Pakistan, in terms of paragraph 9 (ii) of Chapter 6 of this Manual, the Authorized Dealer concerned will issue a Certificate showing date-wise deposit of equity in the account and its buying exchange rate for the respective currency prevailing on the date on which the amount is credited to the company's foreign currency account. The company may issue shares after receipt of money in its account for the equivalent Rupee amount at the exchange rate shown in the Certificate.

(v) At the request of the company, the State Bank shall authorize an Authorized Dealer for the purpose of remittance of dividend to non-resident shareholders as per procedure outlined in para 16, Chapter 14 of the Manual.

(vi) The shares issued/transferred to non resident shareholders shall be intimated by the company to the designated Authorized Dealer within 30 days of issue/transfer on the form prescribed in Appendix V- 95 or Appendix V- 96, as the case may be, alongwith the following documents and other legal documents viz. Memorandum and Articles of Association, Certificate of Incorporation/Registration etc., if not already submitted: -

a) In case of issue of ordinary shares out of public offers under paragraph 6 (B) (I) Bank's Proceeds Realization Certificate (PRCs) in original with copy of the consent/permission of the Securities & Exchange Commission of Pakistan (SECP).

b) In case of issue of ordinary shares through private placement against equity repatriated to Pakistan under paragraph 6 (B) (III) (a) PRCs in original.

c) In case of issuance of shares of companies other than manufacturing under paragraph 6 (B) (III) (b) Entitlement Certificate obtained from the State Bank of Pakistan (Investment Division, Exchange Policy Department, Karachi by submitting the following through a nominated Authorized Dealer: -

1. Encashment Certificate (EC) and/or Proceeds Realization Certificate (PRC) from an Authorized Dealer in original showing the amount of foreign currency received and its Rupee equivalent paid to the company. Where the whole or part of the foreign equity is retained in Special Foreign Currency Account the 'Entitlement Certificate' will be issued after the foreign equity contribution has been credited to the foreign currency account of the company.

2. Memorandum & Articles of Association and Certificate of Incorporation.

3. An attested copy of Board of Investment's Registration Letter, if applicable, alongwith confirmation of the company that all required formalities/approvals have since been completed/obtained.

4. Particulars of sponsor shareholders with name, address, nationality, proposed number and face value of shares to be issued.

d) In case of issue of rights shares under paragraph 6 (B) (VI) PRCs in original with copy of Board's Resolution.

e) In case of issue of bonus shares under paragraph 6 (B) (VI) Appendix V- 96, a copy of Board's Resolution, Auditor's certificate to the effect that issuance of bonus shares is in accordance with the existing applicable laws and the audited accounts for the respective year.

f) In case of issue of ordinary shares against equity contributed in the shape of plant and machinery under paragraph 7 (iii) Exchange Entitlement Certificate issued by the area office of Foreign Exchange Operations Department in original.

g) In case of issue of ordinary shares under paragraph 7 (iv) against equity deposited in a foreign currency account for import of plant & machinery, Account holding bank's certificate in original.

h) In case of transfer of listed shares under paragraph 6 (B) (II) Stock Broker's Memo and PRCs in respect of the cost of shares and transfer stamp money, both in original. Where the sale of shares is negotiated privately, documents establishing the deal and the price of the share on Stock Exchange on the date of deal, should be furnished.

i) In case of transfer of shares of un-listed companies under paragraph 6 (B) (IV) Auditor's certificate for break-up value in original, a copy of the audited accounts of the respective year, documentary evidence of the agreed sale price and original PRCs in respect of cost of shares and transfer stamp money.

j) In case of transfer of shares from one non-resident to another non-resident against payment outside Pakistan under paragraph 6 (B) (V), certificate from the transferee and PRCs for transfer stamp duty both in original.

k) In case of issue of Government Securities, issue/transfer of debt instruments and issue of NIT Units under paragraph 6 (B) (VII), (VIII) and (IX), PRCs in original with copies of related documents.

[1]Further, in order to enhance due diligence with respect to export of securities to non-resident investors, Authorized Dealers are required to submit the following documents/information with regard to non-resident investors (where applicable) in addition to the existing requirements:

a Formal Share Purchase Agreement or equivalent between the Investor & Investee.
b. Business profile containing ownership, organization/group, locations, markets and products.
c. Promoters'/ Directors' names, addresses, national ID/passport numbers & country of domicile.
d. Certificate of Incorporation or equivalent issued/acknowledged by the relevant Authority.
e. Memorandum & Articles of Association or equivalent registered with the relevant Authority.
f. Annual Audited Financial Statements with Auditors' report & notes thereon for the last year.
g. Pattern of Shareholders (name, national identity number & shares held) or equivalent.
h. Related Party details including beneficial ownership with aforementioned documents, if any.

Authorized Dealers shall maintain centralized record/data of all such cases as well as securities of non-residents already registered on the aforementioned parameters along with the details of

[1] EPD Circular Letter No. 06 dated February 24, 2017.

Investment/Dividend repatriated and update the same for On-site inspection /Off-site monitoring by SBP.

(vii) Subject to observance of the procedure outlined above, the companies issuing/registering transfer of shares in favour of non-residents on repatriation basis, may export the share certificates through the designated Authorized Dealer to the shareholders. The designated Authorized Dealer shall also allow remittances in respect of the following:-

(I) Dividend, net of applicable taxes, as permitted under Chapter 14.

(II) Disinvestment proceeds not exceeding the market value (in case of listed securities)/break up value (in case of unlisted securities) less brokerage/commission on submission of:

(a) Name and address of the non-resident share holder.

(b) Name and address of the company whose shares were sold by the non-resident beneficiary, indicating whether it is a listed or unlisted/private limited company and is covered under para 6 ibid. (This requirement may be waived by the Authorized Dealer in case of quoted shares).

(c) Name, address and residential status of the buyer of the shares in question.

(d) Copy of broker's memo in case of quoted shares/break up value certificate of a practicing Chartered Accountant in case of unlisted shares.

(viii) [2]Authorized Dealers are required to submit electronically, statement showing shares registered and held by 'persons/ entities resident outside Pakistan and statement showing issue and export of bonus shares to non-resident shareholders to the Statistics & Data Warehouse Department of the State Bank on format Appendix V- 95A & 96A at fca.stat@sbp.org.pk by 5th of the following month. Further, the designated Authorized Dealer shall maintain complete record of the shares held by non residents including proof of original investment in foreign exchange and other documents detailed above and shall produce the same for audit by the Inspection Team of the State Bank. No record shall be destroyed unless the same has been audited by the State Bank's inspectors.

8. Issue of Securities and NIT Units to Persons Resident outside Pakistan on non-repatriation basis and its transfer on the same basis.

(i) It is permissible to issue Pakistani Securities of all types including NIT Units but excluding shares of companies not quoted on stock exchange, in favour of persons resident outside Pakistan, on non-repatriation basis, if payment is made either in foreign exchange or in Pakistan rupees provided the securities are registered at the Pakistan address of the purchaser and a clear undertaking is furnished by him that no repatriation of capital and profits/dividends accruing thereon will be claimed at any stage.

(ii) Such securities may also be transferred to a person, whether resident in or outside Pakistan, on the same basis, provided the securities are registered at the Pakistan address of the purchaser and a clear undertaking is given by him that no repatriation of capital and profit/dividend accruing thereon will be claimed at any stage.

(iii) A person resident outside Pakistan holding shares on non- repatriation basis may also be issued bonus/right shares as per his entitlement, on the basis of non-repatriation of capital and dividend.

[2] EPD Circular Letter No. 14 dated December 07, 2016.

9. (A)Trading of Quoted Shares by Non-Residents.

(i) Non-residents are allowed to trade freely in the shares quoted on the Stock Exchange(s) in Pakistan. For this purpose the non-residents will be required to open "Special Convertible Rupee Account" (SCRA) with any Authorized Dealer in Pakistan. Such accounts can be fed by remittances from abroad or by transfer from a foreign currency account maintained by the non-resident investor in Pakistan. The balance available therein can be used for purchase of any share quoted on the Stock Exchange(s) of Pakistan. Payment for such purchases may be debited to the account on production of stock broker's memo showing sale of shares to the account holder and disinvestments proceeds may be credited, provided evidence of the sale price in the shape of stock broker's memo is produced. The fund available in such special accounts can be transferred outside Pakistan or credited to a foreign currency account maintained in Pakistan at any time without prior approval of the State Bank. These accounts can also be credited with dividend income. Transfers from one such account to another may also be made in case of transfer of shares between the two account-holders. [3]Non-residents are also allowed to trade in shares in Ready/Cash/Futures Markets through SCRA, subject to the following procedure:

(a) A separate sub-account under SCRA shall be opened by foreign investors through which an investor will route receipts/payments, initial margin, mark-to-market settlement, transaction charges, commission, fees etc.

(b) Margins relating to Ready/Cash/Futures may also be routed through this account. However, while allowing refund of the margin through SCRA to a non-resident, the Authorized Dealer should ensure that the broker has quoted the date and instrument number under which the margin was received by them.

(c) Authorized Dealers shall report information on market value of foreign investments through future trading in their weekly returns to the Statistics and Data Warehouse Department on the revised proforma (AppendixV-97). The daily statement showing inflow/outflow and opening/closing balances in the SCRA shall however, continue to be reported to the Statistics and Data Warehouse Department on the prescribed proforma Appendix V-97.

(ii) The commission earned by the international brokers from their overseas clients and credited net of taxes to the broker's SCRA account may be remitted by the Authorized Dealers provided the funds so credited have emanated from inward remittances or paid out of SCRA of the investor.

(iii) [4]Head/ Principal Offices of all Authorized Dealers are advised to submit statements to Statistics and Data Warehouse Department, State Bank of Pakistan in the excel format on daily and weekly basis showing the position of Special Convertible Rupee Accounts (SCRAs) maintained with them by non-resident investors. The format can be downloaded from the following link:

http://www.sbp.org.pk/Regulatory_Returns/stats.htm

The above information should be reported to Statistics and Data Warehouse Department, State Bank of Pakistan through email scra@sbp.org.pk.

(B) Trading of Pakistan Investment Bonds, Treasury Bills, Registered Corporate Debt Instruments and WAPDA's Registered Bonds listed with Stock Exchange(s) in the Secondary Market.

[3] F.E. Circular No. 10/2006 dated July 21, 2006.
[4] Circular Letter No. 01/2008 dated January 15, 2008.

Non-residents are allowed to trade freely in Pakistan Investment Bonds (PIBs), Treasury Bills (TBs), Registered corporate debt instruments and WAPDA's Registered Bonds listed with stock exchanges if the relevant S.R.Os permit non-residents to hold the bonds in the secondary market, through SCRAs subject to the instructions applicable to these accounts as contained in the preceding sub-paragraph (A).

10. Special Instructions regarding shares transferred under Central Depository System (CDS) of Central Depository Companies (CDC).

(i) General.

Separate account or sub-account will be opened & maintained at CDC for each non-resident investor eligible for investment in registered shares/securities quoted at stock exchange in Pakistan.

It must be ensured that all transactions at CDS i.e., deposit into or withdrawal from the account/sub-account of a non-resident is supported by actual movement of funds. In other words, there should not be any netting/adjustments and payment/receipt in respect of each purchase/sale should be settled independent of other transactions of the non-resident. In case the investment by the non-resident is made/routed through his SCRA maintained with an Authorized Dealer in Pakistan, the SCRA should never show an overdrawn position. [5]The securities available in account/sub-account may be pledged in favor of National Clearing Company of Pakistan Ltd. in case of non-availability of funds in SCRA to meet margin requirements against purchase/sale transactions of non-resident investors in ready/cash market till settlement of respective transaction.

(ii) Initial transfer in the name of CDC.

While approving the initial/first-time transfer of shares/securities purchased/held by non-residents, in the name of CDC for deposit into CDS, the company concerned will ensure that the shares are already registered in its record on repatriation basis in the name of the non-resident concerned. If the shares are not already so registered, the company will obtain requisite documents issued in the name of investor concerned, i.e., broker's memo, proceeds realization certificates (PRCs) for cost of shares purchased and transfer stamp duty, or where the shares have been purchased from another non-resident shareholder against payment outside Pakistan, the transferee's certificate alongwith PRC for transfer stamp duty.

(iii) Subsequent transactions i.e., deposit/withdrawal at CDS.

(a) Where investments are made through GDRs, the Authorized Dealer concerned will continue to ensure that complete/proper record of all transactions is kept at their end and the prescribed statements of SCRAs are furnished to the State Bank as usual, as at present documents involving such investment would not be required to be submitted to the company at any stage.

(b) In case of investments not involving SCRA, the original documents as listed at (ii) above will be submitted as usual to the respective company by the 'Participant' concerned alongwith a certificate that the shares are in the name of CDS and have since been deposited into/withdrawn from the respective non-resident's account at CDS. The company after making necessary entry in its record to update CDC's non-resident holding, will furnish the same to the designated Authorized Dealer. The Authorized Dealer will keep these documents in its record for onward submission to State Bank in the

[5] F.E Circular No. 03 dated March 24, 2017.

prescribed manner alongwith returns pertaining to dividend/ bonus or right issue and will as usual make the remittance of disinvestment proceeds of such shares subject to the prescribed drill/rules.

(iv) Dividend Payment/allotment of bonus or right shares.

CDC will issue to the respective company a list of beneficial non-resident shareholders certifying their individual holding as on Ex-date of dividend/bonus/right in the form appearing at Appendix V-98. Before issue of dividend warrant or allotment of bonus/right shares, the company will verify the holding of non-residents not involving SCRAs from its record including those as mentioned in sub-para (iii) (b) and for the non-residents investing through SCRAs, it will obtain an undertaking-cum-certificate from the Authorized Dealer concerned on the form appearing at Appendix V-99, and on the basis of this undertaking-cum-certificate it will certify Appendices V-54 & V-95 and V-96 for such shares. The aforesaid list provided by CDS will invariably be attached by the company to the aforesaid returns.

11. Investment by branches of Foreign Banks and Foreign Controlled Investment Banks.

Branches of foreign banks in Pakistan and foreign controlled investment banks incorporated in Pakistan are permitted to invest in Pak. Rupee denominated registered listed corporate debt instruments issued in Pakistan, provided such investment is made through initial public offerings and secondary market purchases, and further provided that investment in those debt instruments which are convertible into shares does not exceed 30% of the paid-up capital of the issuing company or 30% of the paid-up capital and reserves of the investing institution, which ever is less. The profit/interest accruing on such investment will be treated as their income for the purpose of profit/dividend remittance.

12. Transfers between Registers etc.

Clauses (c) and (d) of sub-section (1) of Section 13 of the Act prohibit, respectively, transfers of securities from registers in Pakistan to registers outside Pakistan and the issuing, whether in Pakistan or elsewhere, of securities which are registered or to be registered in Pakistan, to "persons resident outside Pakistan" except with the general or special permission of the State Bank.

13. Investment Abroad by Residents.[6]

The residents of Pakistan including firms and companies are allowed to make equity based investment (other than portfolio investment) in companies (whether incorporated or not)/Joint Ventures abroad on repatriable basis, with prior permission of State Bank of Pakistan and subject to the following guidelines:

a) Criteria for permission to allow investment abroad by residents.

i) Investment abroad is allowed only for those countries that allow repatriation of profits, dividends and capital.

ii) Only companies incorporated in Pakistan including foreign controlled companies and firms owned by Pakistani Nationals resident in Pakistan are allowed investment under the scheme.

iii) The business activity of the company, firm, joint venture in which investment is desired to be made should ordinarily be of the same nature as that in which the investor is already engaged in Pakistan, or in which the investor has the potential to acquire sufficient expertise from the market for running the business.

[6] F.E. Circular No. 12 Dated September 01, 2001.

iv) The investor should be financially sound as shown by its audited accounts for the last three years. In the case of a company in the I.T. business, however, the condition of three years may be reduced to one year.

v) The proposal should be economically viable as evidenced from a feasibility report. It should have the potential for future earnings of foreign exchange coupled with other advantages to the country such as employment opportunities for Pakistani nationals and improvement in national human resources.

vi) The funds proposed for investment should be legitimate and tax paid, and the investor should have a clean record of loan repayments.

vii) Funding for the proposed investment abroad is allowed only from the inter-bank market or from funds available in the foreign currency accounts of investors opened in terms of Para 1 of Chapter 6 of the FE Manual or out of funds available in the incremental deposits of frozen foreign currency accounts, or from Foreign Currency accounts maintained by exporters in terms of Para 35 Chapter 12/Para 12 of Chapter 12 of Foreign Exchange Manual. (Net of amount paid to foreign importers/agents).

viii) Small investments by individuals in a few shares of listed companies abroad including participation by Pakistani employees of subsidiaries of foreign companies in Pakistan in their share option plans would, however, be permitted without the detailed scrutiny outlined above.

ix) The State Bank under the aforesaid guideline would also deal with the proposals emanating from the Public Sector Organizations providing financial services whereas the concerned ministry would deal with the investment proposals from all other public sector organizations.

b). After making investment with the approval of State Bank of Pakistan, the investor is required to:

i) Make a return to State Bank on the prescribed form V-100 through their banker within one month of making the investment;

ii) Provide a copy of Certificate of Incorporation and Certificate of Commencement of Business in the country where investment will take place to the Authorized Dealer along with copies of the share certificates so invested and bonus issues, if any.

iii) Repatriate the dividend/disinvestments proceeds of the shares (including capital gains) to Pakistan through normal banking channels. The amounts so received would be converted to local currency by the bank concerned and a Proceeds Realization Certificate in original evidencing the same shall be filed by the owner with the State Bank. Such amounts shall not be allowed for credit to a Foreign Currency Account or for purchase of Pakistani securities on Repatriable basis.

c) The detailed applications for the purpose along with audited accounts, particulars of Directors/Partners of the investor company/firm (not required in case of individuals), name and address of the foreign company/firm in which investment is desired to be made, its line of business and particulars of its Directors/Partners, should be forwarded to the Director, Exchange Policy Department, State Bank of Pakistan, Karachi.

14. [7]Investment Abroad by Locally Established Mutual Funds.

(i) Locally established mutual funds are allowed to invest abroad for the purposes of diversification of their asset classes/portfolio, to the extent of 30% of the aggregate funds mobilized (including foreign currency funds), in permissible categories subject to a cap of US$ 15 million at any given time. The investment made abroad must strictly follow the scope approved by Securities and Exchange Commission of Pakistan (SECP) and subject to all other terms and conditions as specified for the operations and investments abroad by SECP.

(ii) Such funds would need prior approval of State Bank. In this regard, each interested locally established mutual fund is required to apply, through an Authorized Dealer, to the Director, Exchange Policy Department, State Bank of Pakistan by providing details of the proposed operations alongwith the related documents. Each request will be evaluated on a case to case basis and will be responded accordingly.

15. Registration of Foreign Securities.

Under Section 19(I) of the Act, the Federal Government have issued Notification No. I(1)-2-FE/56 dated the 1st August, 1956, (Appendix II-7) requiring all persons resident in Pakistan who are or become the owners of any security in respect of which the principal, interest or dividends is or are payable in the currency of any foreign country or in respect of which the owner has the option to acquire the payment of principal, interest or dividends in such currencies, to make a return to the State Bank within one month of their acquiring the securities, giving particulars in respect of the said securities. The specimen of the form in which these particulars are required to be furnished in duplicate is given at Appendix V-100. Foreign nationals residing in Pakistan are not required to submit the above returns.

16. Under-writing of shares, term certificates and Modaraba certificates by foreign banks.

Underwriting of shares, participation term certificates etc., by foreign banks' branches in Pakistan eventually involves holding of those shares/securities which are not taken up by the general public, and as such attracts the provisions of Section 13(1) of the Foreign Exchange Regulation Act, 1947. Foreign banks' branches in Pakistan have general permission to under-write the issue of shares to the extent of 30% of the public offering or 30% of its own paid-up capital and reserves, whichever is less. They are also permitted to under-write public issues of participation term certificates, term finance certificates and modaraba certificates, provided that where the terms and conditions of issue of such securities grant an option to the holders to convert the securities into ordinary shares, the restrictions of 30% as mentioned above would apply.

[7] F.E. Circular No. 11 dated August 12, 2005.

CHAPTER 21

REPATRIATION OF INVISIBLE EARNINGS OF FOREIGN EXCHANGE

1. Information on Foreign Exchange Receipts.

2. Submission of Encashment Certificates.

CHAPTER 21

REPATRIATION OF INVISIBLE EARNINGS OF FOREIGN EXCHANGE

1. Information on Foreign Exchange Receipts.

Indenting Houses/Tour Operators and Trade Marks/Patent Agents and Attorneys are required to file with the SBP-Banking Services Corporation, the following documents/ information in respect of their foreign exchange earnings:

(i) Indenting Houses/Agents.

Half yearly statement of their commission earnings in foreign exchange in the prescribed form (Appendix V-101) as on 30th June and 31st December each year along with a copy of each agency agreement entered into by them with foreign suppliers. This statement is required to be submitted only by those Indenting Houses /Agents whose indenting income exceeds US $ 100,000/-, and should reach the SBP-Banking Services Corporation within two months after each half year.

(ii) Tour Operators.

(a) Half yearly statement in the prescribed form (Appendix V-102) showing the amount of foreign exchange received by them on account of services rendered to foreign tourists. The aforesaid statement should show the position as of 30th June and 31st December each year and reach the SBP-Banking Services Corporation within two months after each half year.

(b) A certified copy of each agency agreement entered into with foreign tour operators and airlines etc. In cases where the business is undertaken on the basis of special terms and conditions not covered by any agency agreement, authenticated copies of the relative correspondence on the basis of which the rates have been finalized, should accompany the above half yearly statement.

(c) Tour Operators who are earning foreign exchange on account of services rendered to foreign tourists and are reporting such invisible earnings to the SBP-Banking Services Corporation in the manner prescribed in sub-para (a) above are allowed to retain upto 35% of their net foreign exchange earnings in foreign currency accounts, vide paragraph 36 Chapter 12 of the Manual. Those Tour Operators who intend to use these funds for opening of offices abroad may approach the Director, Exchange Policy Department, State Bank of Pakistan, , Karachi in the matter.

(iii) Trade Marks/Patent Agents and Attorneys.

(a) Half yearly statement in the prescribed form (Appendix V- 103) showing the foreign exchange received by them on account of Government fees and their own professional charges. The statement should show the position as of 30th June and 31st December each year and reach the SBP-Banking Services Corporation within two months after each half year.

(b) A certified copy of the agreement entered into by them with foreign clients. In case business is undertaken on the basis of special terms and conditions not covered by any standing agreement, authenticated copies of the relative correspondence exchanged between the foreign client and the Pakistani Patent Agent/Attorney should accompany the statement.

2. Submission of Encashment Certificates.

Encashment certificates from Authorized Dealers in support of foreign exchange received from abroad and shown in the half yearly statements mentioned in paragraph 1 should invariably be enclosed with the relative statement.

CHAPTER 22

RETURNS OF ALL FOREIGN EXCHANGE TRANSACTIONS

1. Maintenance of Record.
2. Submission of Returns to State Bank.
3. Basis and Procedure for Reporting of Transactions.
4. Coding of Transactions.
5. Returns of Foreign Exchange Transactions.
6. Compilation of Summary Statements.
7. Supporting Schedules and Forms of the Summary Statements.
8. Reporting of Imports under Loans, Credit and Grants.
9. Opening and Closing Balances.
10. Items without Schedules.
11. Foreign Currency Notes.
12. Method of Despatch of Statements “S-1”, “S-4”, and “S-6” to the State Bank.
13. Operations on Private Non-Resident Rupee Accounts.
14. Record of Exchange Position.
15. Statement of Outstanding Import Commitments.
16. Returns of Blocked Accounts and Securities.

CHAPTER 22

RETURNS OF ALL FOREIGN EXCHANGE TRANSACTIONS

1. Maintenance of Record.

Authorized Dealers should maintain proper record of all dealings in foreign exchange in their books including transactions on non-resident accounts.

2. Submission of Returns to State Bank.

Authorized Dealers should take utmost care in compilation of various returns/statements prescribed in this as also other chapters so that all transactions are correctly and duly reported. They should also ensure that these returns/statements are invariably sent to the State Bank on due dates.

3. Basis and Procedure for Reporting of Transactions.

The system of reporting transactions is designed to compile figures on the basis of actual entries in the currency accounts so that there are no suspense items. Authorized Dealers should report transactions as per following procedure:

(i) EXPORTS

a) Export bills drawn under irrevocable letters of credit.

Transactions in respect of export bills negotiated by Authorized Dealers should be reported as purchases only at the time entries are made in the currency account duly supported by Schedule (A-1/A-2/A-3) and Forms 'E'.

b) Export bills drawn on collection basis.

Sometimes Authorized Dealers also purchase export bills drawn on collection basis. Transactions relating to such export bills should be reported as an outright purchase against "Exports" in the summary statement after the transaction is put through the currency account on receipt of advice of realization of the export proceeds.

(ii) OTHER RECEIPTS

The procedure indicated in sub-paragraph (i) (a) above should also be followed with regard to D.Ds. and M. Ts. etc. In other words, purchases in respect of D.Ds. and M.Ts. etc. should be reported only when the transactions are put through the currency accounts.

(iii) IMPORTS

a) In case of import bills drawn under letters of credit, the foreign currency accounts of the Authorized Dealers are debited at the time of negotiation of documents by their foreign correspondents. Accordingly, sales on account of import bills drawn under confirmed and irrevocable letters of credit should be reported when the transaction is put through the currency account on receipt of import documents and not on the basis of retirement of bills by the importers.

b) All sales on account of imports are required to be supported by the original copy of the Form 'I'. In view of the time-lag between the date of receipt of the import bills and the date of their retirement by the importers, it may not be possible to submit original copy of Form 'I' duly signed by the importers. In such cases, Authorized Dealers should fill in the quadruplicate copy of the Form 'I' and submit it alongwith the relevant schedule and the summary statement. The original copy of the Form 'I' should be submitted after it has been signed by the importer, which will be at the time of retirement of the bill.

c) Authorized Dealers will forward to the State Bank a monthly statement showing particulars of the Form 'I' originals of which have not been sent by them to the State Bank, giving reasons for their non-submission. These statements should reach the State Bank by the 5th of the following month and should bear running serial numbers.

d) With regard to import bills received on collection basis, the transactions will be reported on Schedule E-2 supported by original Form 'I'.

(iv) OTHER PAYMENTS

Transactions relating to D.Ds. and M.Ts. issued by the Authorized Dealers should also be reported only at the time entries are made in the currency accounts.

Non-resident Rupee accounts of foreign banks and correspondents including barter accounts should also be reported by Authorized Dealers in the manner indicated in this para.

4. Coding of Transactions.

Authorized Dealers are required to give code numbers for all transactions pertaining to receipts as well as payments whether under cash, loan, credits or barter on the relevant prescribed forms as also in the columns provided in the relevant schedules, excepting stubs given on the right hand top of the schedules relating to "Period", "Authorized Dealer" and "Currency" whose coding is done in the State Bank.

Separate code lists are provided for the following items:

Code-3	COUNTRY
Code-4	EXPORTS (Visible Receipts)
Code-5	INVISIBLE RECEIPTS
Code-6	IMPORTS(Visible Payments)
Code-7	INVISIBLE PAYMENTS
Code-8	DEPARTMENTS

For entering code numbers on various schedules, the code lists mentioned below against each schedule should be referred to:

Title of Schedule	Code lists to be used
A-1/0-1	Code-3 and Code-4
A-2/0-2	Code-3 and Code-4
A-3/0-3	Code-3 and Code-4
J/0-3	Code-3 and Code-5
E-2/P-2	Code-3 Code-6 & Code 8
EL-2/EL-3	Code-3 Code-6 & Code 8
E-3/P-3	Code-3 Code-7 & Code 8
E-4/P-4	Code-3 Code-7 & Code 8

The stubs earmarked for 'Department' are to be used in cases of transactions relating to imports and invisible payments. All payments by Government and Semi-Government agencies out of cash resources should be correctly co-related with those given in Code-8 and code number given accordingly. Where payments for imports or invisibles are made by private parties out of cash resources, the Code No.501 of Code-8 will be given under 'Department'.

Authorized Dealers should ensure that the description of transactions given in the relevant forms conforms to the nomenclature given in the Code Lists. Coding should be done with extreme care. It is advisable to entrust the Coding work to experienced and responsible members of the staff. To guard against any possible misclassification, coding should be got checked independently. For all amounts equivalent to Rs. 100,000 and above, the checking of codes should be done by supervisory staff.

5. Returns of Foreign Exchange Transactions.

Authorized Dealers should report to the State Bank/SBP-Banking Services Corporation particulars of foreign exchange transactions effected by them i.e. all outward and inward remittances made whether through their accounts in foreign currencies or through the Rupee accounts of non-resident banks. For this purpose, Authorized Dealers should submit to the SBP-Banking Services Corporation a summarized statement of their transactions in each currency in which a position is maintained by them and also summary statement of transactions effected on the Rupee accounts of non-resident banks maintained with them for each month, reaching the respective area office of the Foreign Exchange Operations Department by the 5th of the following month from Head/Principal Offices of Authorized Dealers.

These summary statements should be submitted on:

"S-1" statement for transactions in all foreign currencies (Appendix V-104).

"S-4" statement for transactions on Rupee accounts of non-resident banks (Appendix V-105).

"S-6" statement for transactions in foreign currency notes (Appendix V- 106).

[1]Code Lists No. 4 & 6 under foreign exchange Code Guide used for coding Exports and Imports (Schedule A1/A2/A3) have been replaced with HS Codes Commodity Classification.

Code List No. 5 used for Purpose Codes of Invisible Receipts (Schedule J) as per coverage and definitions of IMF Manual on Balance of Payments 5th Edition

Code List No. 7 used for Purpose Codes of Invisible Payments (Schedule E3/E4) as per coverage and definitions of IMF Manual on Balance of Payments 5th Edition

Code List No. 8 meant for Department Codes for Payments (Schedule E2/E3/E4) has been revised.

Authorized Dealers are, therefore, advised to provide monthly foreign exchange data through ITRS/DAP to the Statistics and Data Warehouse Department, State Bank of Pakistan under the revised system by due date as per existing requirements. The revised Software of the System and the Code Guide will be provided by the Statistics and Data Warehouse Department, State Bank of Pakistan. [2]Hard copies of the following foreign exchange returns based on revised system will be sent to SBP-Banking Services Corporation Area Offices as per the prevailing practice/instructions:

i. Manual E Forms, export advance payment vouchers and statements/returns reported through Appendices-V, other than Summary Statements, Schedules, EIF, EFE, M Forms, R Forms and IRVs, along with supporting documents.
ii. Quarterly, half yearly and annual foreign exchange returns.

[3]To manage reporting of foreign private loans (FPL) data on DAP, all Authorized Dealers are required to get reference ID of new foreign private loans from Statistics and Data Warehouse Department before 5th of the following month, by providing following record/documents.

1) Exchange Policy Department loan registration documents, if any
2) Lender detail e.g. lender name, business, origin, residency of lender, pattern of shareholding in case of Ultimate Controlling Parent.
3) Borrower detail e.g. borrower name, NTN, amount of loan, currency, signing date of loan, interest rate and Loan Maturity Date.

Further, Authorized Dealers are required to maintain complete record/documents of monthly foreign exchange returns as per existing procedure and shall present the same to SBP/SBP-Banking Services Corporation for onsite inspection and offsite monitoring, as and when required.

Authorized Dealers shall also ensure that foreign exchange data reported in ITRS/DAP is accurate, complete and as per the prescribed format. Misreporting, non-reporting or non-

[1] FE Circular No. 08 dated April 19, 2003.
[2] FE Circular No. 08 dated Aug 15, 2017.
[3] Statistics & DWHD Circular No. DS.DWCD. 3 (6) / 2012- 1213 dated December 4, 2012.

compliance of any rule/regulation/instruction on the part of Authorized Dealers shall attract regulatory action under the related provisions of the Foreign Exchange Regulation Act, 1947

With the adoption of IMF Manual on Balance of Payments 5th Edition, vide FE Circular No. 8 dated the 19th April 2003, in addition to other requirements; a mechanism has been developed for reporting of new Foreign Currency [4]Accounts (FE 25) by classifying transactions of these accounts in Code Lists No. 5 & 7. For further clarification, the same are reproduced below:

O-FINANCIAL ACCOUNTS

Code No. Description

I) Short Term Capital (RECEIPTS)
9524 Borrowings by banks within Pakistan – FCA

9525 Withdrawals in Equivalent Pak Rupees from FCA-residents-individuals

9526 Withdrawals in Equivalent Pak Rupees from
FCA-residents-enterprises-Direct investment.

9527 Withdrawals in Equivalent Pak Rupees from
FCA-residents-enterprises-Portfolio investment.

9528 Withdrawals in Equivalent Pak Rupees from
FCA-residents-enterprises-other purpose

9529 Withdrawals in Equivalent Pak Rupees from FCA-residents-General government

9531 Withdrawals in Equivalent Pak Rupees from FCA-non-residents

9532 Foreign currency accounts of residents- individuals

9533 Foreign currency accounts of residents- General government

9534 Foreign currency accounts of residents-enterprises

9535 Foreign currency accounts of non-residents

9536 Foreign currency accounts – NBFI's

SWAPS
9537 Short-term SWAPS- inter-bank

[4] EPD Circular Letter No. 15 dated July 24, 2003.

9538 Short-term SWAPS-abroad

Placements
9539 Withdrawal of Placements made within Pakistan

9541 Withdrawal of Placements made outside Pakistan

9542 Withdrawal from the balance of CRR/SCRR- SBP

Trade Finance
9543 Replenishment of FCA from inter bank for settlement of FX loan (Pre-shipment) to exporters

9544 Replenishment of FCA from inter bank for settlement of FX loan (Post-shipment) to exporters

9545 Receipts against FX loan to importers

III) Other long-term Capital
9642 Borrowings by banks within Pakistan-FCA

O-FINANCIAL ACCOUNT

Code No. Description

I) Short-term Capital (PAYMENTS)

1522 Foreign currency accounts of residents- individuals

1523 Foreign currency accounts of residents- General government

1524 Foreign currency accounts of residents-enterprises

1525 Foreign currency accounts of non-residents

1526 Foreign currency accounts – NBFI's

SWAPS
1527 Short-term SWAPS

1528 Repayment by banks - abroad

1529 Repayment by banks within Pakistan

1531 Repayment by others

Placements
1532 Placements within Pakistan

1533 Placements abroad

1534 Deposits with SBP for CRR/SCRR

Trade Finance
1535 Sale to SBP of FX loans (Pre-shipment) to exporters

1536 Sale to SBP of FX loans (Post-shipment) to exporters

III) Other Long-term capital
1642 Repayment by banks within Pakistan- (FCA)

SWAPS
1643 Long-term SWAPS

Placements
1644 Placements within Pakistan-(FCA)

1645 Placements made outside Pakistan

Authorized Dealers are required to report the transactions under new Foreign Currency Accounts Scheme on Schedule J/O-3 (Invisible & Capital Receipts) and on Schedule E3/P-3, E4/P-4 (Invisible & Capital Payments).

[5]There is no restriction on effecting all outward remittances from treasury or any centralized branch of an Authorized Dealer. It should, however, be ensured that the transactions are reported to the concerned area office of SBP-Banking Services Corporation, by the designated branch i.e. the branch to whom the approval for remittance has been granted by State Bank of Pakistan or SBP-Banking Services Corporation.

Monthly Foreign Exchange Returns-Code Numbers for Call Centre Activities.[6]

Attention of Authorized Dealers is invited to Code List Nos. 5 & 7 circulated vide FE-Circular No.8 dated 19th April 2003. It has now been decided to include the activities of Call Centres separately which were earlier included in telecommunication services under Code Nos. 9101 and 1101. In order to cover the business activities of Call Centres, the Code List Nos. 5 & 7 have been amended accordingly. The new purpose codes will now be as under:

Code List No.5-Invisible and Capital Receipts
C-Communication Services

[5] EPD Circular Letter No. 18 dated October 24, 2003.
[6]FE Circular No. 11 dated August 01, 2006.

Telecommunication Services

S. No	Purpose	Description	Code No.
3	Telecommunication Services	Receipts on account of telecommunication services other than Call Centres viz., transmission of sound, images or other information by telephone, telegram, cable, broadcasting, satellite, electronics mail facsimile services, etc. This also includes business network services, teleconferencing services and support services.	9101
4	Call Centres	Receipts on account of services provided by Call Centres*.	9102

Code List No.7-Invisible and Capital Payments
C-Communication Services

Telecommunication Services

S. No	Purpose	Description	Code No.
2	Telecommunication Services	Remittances made on account of tele-communication services other than Call Centres viz., transmission of sound, images or other information by telephone, telegram, cable, broadcasting, satellite, electronics mail facsimile services, etc. This also includes business network services, teleconferencing services and support services.	1101
3	Call Centres	Remittances on account of services provided by Call Centres*.	1102

(* A Call Centre is a company that provides information services on telephone, email, internet etc. on behalf of any major business concern).

[7]In order to enhance the utility of the data for policy formulation and financial planning, the existing format of foreign exchange returns has been revised to include additional information on quantity, unit of the commodity, mode of trade (Incoterm e.g. fob, c&f, etc) and price per unit. Schedules of exports (A-1/O-1, A-2/O-2, A-3/O-3) and schedule of imports (E-2/P-2, EL-2/EL-3) have also been revised accordingly. The revised schedules, code list of units for quantity and mode of trade (Incoterms) and revised reporting software can be obtained from Statistics & Data Warehouse Department or can be downloaded from State Bank of Pakistan website at link http://www.sbp.org.pk/fe_returns/index.htm. All other instructions on the subject will remain unchanged.

Consequently, Authorized Dealers are advised to provide monthly foreign exchange data with additional information through DAP starting from the month of November 2006 and onwards to Statistics and Data Warehouse Department under the revised format by the due date for submission of these returns i.e. 5th of the following month. Authorized Dealers are further advised to properly record the additional information for all imports and exports at the time of transaction for onward supply of the same to SBP.

Monthly Foreign Exchange Returns-Inclusion of NTN [8]

The foreign exchange transactions data for Balance of Payments (BOP) will contain the information about the entity/ company/enterprise involved in the foreign exchange transaction in addition to other information as reported earlier. Authorized Dealers are required to record the National Tax Number of the entity/company/enterprise involved in the foreign exchange transaction in the specified column in the prescribed schedule/return.

Authorized Dealers are advised to ensure the strict compliance of the following during the course of Foreign Exchange Transactions:-

a) Record the NTN of each entity/enterprise on the basic documents (e.g. E/ I/ R-Form) at the time of recording the foreign exchange transactions;

b) Report NTN for each transaction/entry on schedule for all transactions pertaining to business entities; and

c) Take extra care in recording and reporting NTN failing which identification of entity cannot be made from the database.

[9]**Monthly Foreign Exchange Returns - Acquisition of Forms-E Data**

Authorized Dealers are required to submit Form-E related data electronically through its Data Acquisition Portal (DAP) to SBP. Detailed specifications regarding the format and mechanism are attached as Annexure-I, which is available at the following link:

[7] FE Circular No. 16 dated October 31, 2006.
[8] FE Circular No. 02 dated June 02, 2007
[9] FE Circular No. 01 dated Jan 12, 2018

http://www.sbp.org.pk/epd/2018/FEC1-Annex-A.pdf

In this regard, the above mentioned data shall be submitted on monthly basis latest by 4th of the following month for each reference month before submission of monthly ITRS data. Authorized Dealers are, therefore, advised to improve their systems according to the new requirements and report the subject data to the Statistics & Data Warehouse Department, SBP.

Authorized Dealers shall ensure that the data file reported to SBP should include data relating to all Forms-E issued by them in the previous month for which shipments have been made irrespective of realization status.

In case of any misreporting/incomplete/discrepant reporting, appropriate regulatory action shall be taken against the concerned Authorized Dealer under relevant rules and regulations.

6. Compilation of Summary Statements.

i) Each summarized statement will be an abstract of the Authorized Dealer's ledger account and will consist of totals under specified heads. Opening and Closing balances should be added making each summary a complete and balanced statement.

ii) Authorized Dealers will complete one "S-4" statement for each period in which consolidated figures of all non-resident bank accounts maintained with them will be given. It will not be necessary to complete a separate "S-4" statement for each non-resident bank account.

iii) Statement "S-6" is to be submitted in duplicate.

7. Supporting Schedules and Forms of the Summary Statements.

To support the details of the totals entered in the summarized statements, every statement must be accompanied by schedules and the relative forms as indicated in the summarized statements. The schedules should be compiled as under:

RECEIPTS & PAYMENTS SCHEDULES

Schedules "A-1", "A-2", "A-3", "J", "E-2", "E-3" and "E-4" are given combined heading as follows:

RECEIPTS	COMBINED HEADING
(i) A-1	A-1/0-1(Appendix V-107)
(ii) A-2	A-2/0-2(Appendix V-108)
(iii) A-3	A-3/0-3(Appendix V-109)
(iv) J	J/0-3(Appendix V-110)

PAYMENT	COMBINED HEADING
(i) E-2	E-2/P-2(Appendix V-111)
(ii) E-3	E-3/P-3(Appendix V-112)

(iii) E-4	E-4/P-4 (Appendix V-113)

Combined headings have been provided to facilitate preparation of Schedules 'O' & 'P' in respect of transactions of branches, which do not maintain independent currency positions, but operate on the foreign currency accounts of the Head/Principal Office/another branch and themselves submit unbalanced Summary Statements "S-1" and "S-4" to their area offices of the Foreign Exchange Operations Department. The procedure for preparation of these schedules by the branches, which do not maintain independent currency positions is given subsequently in this para.

SCHEDULES "A-1", "A-2" and "A-3" (APPENDICES V-107, V-108 and V-109): Purchase of foreign currencies or debits to non-resident bank Rupee accounts covering proceeds of exports from Pakistan will be listed on Schedules "A-1", "A-2" and "A-3" as follows:

SCHEDULE "A-1": In cases where Form 'E' is certified against a purchase of foreign currencies or debit to non-resident Rupee account, the transaction must be listed on a relative Schedule "A-1" in triplicate showing the number of the Form 'E' and the amount.

SCHEDULE "A-2": In cases where no Form 'E' is certified at the time of purchase of foreign currency or debit to non-resident Rupee account, the particulars will be listed on Schedule "A-2" in triplicate. Such cases will fall into two categories:

i) Advance payments for goods to be exported.

ii) Part realization where the triplicate of the Form 'E" will be lodged with the State Bank at the time when final proceeds are received.

If an advance payment is received for an export, the Authorized Dealer must make out an "Advance Payment Voucher" (Appendix V-23). When the Form 'E' is ultimately made out and a deduction shown for the advance payment, the date of the "Advance Payment Voucher" must be stated on the Form 'E'.

When proceeds of exports are received and the Form 'E' is not available or in case of part realization, a voucher "Export Receipts: Form 'E' not attached" (Appendix V-114) must be completed.

"Advance Payment" and "Export Receipts: Form 'E' not attached" voucher must be listed on Schedule "A-2".

SCHEDULE "A-3": In cases where 'E' Form is certified against purchase of foreign currencies or debit to non-resident Rupee account for re-export of imported goods the transaction will be listed on Schedule A-3 in triplicate.

Totals of Schedules "A-1", "A-2" and "A-3" must be cast and the total of "A-2" and "A-3" brought forward to "A-1" and grand total shown on "A-1" which must agree with the amount

entered on the summary statement. Even in cases where there are no certified Forms 'E' to be submitted with the return, an "A-1" Schedule should be completed showing a nil figure and giving the total figure of "A-2", making up the grand total on "A-1".

For every item on Schedules "A-1", "A-2" and "A-3" a certified copy of Forms 'E' or a voucher, as applicable, must be enclosed. Conversely, for every voucher or Forms 'E' enclosed, there must be an item on the appropriate schedule. No Forms 'E' should be enclosed with the returns against which no receipt is being reported on the return. The forms and vouchers must be sorted in the order they are listed. If more than one schedule sheet is used, the sheets must be serially numbered and pinned together.

While reporting export receipts, separate schedules ("A-1", "A-2" and "A-3") should be prepared for receipts on account of exporters residing in the jurisdiction of area offices of the Foreign Exchange Operations Department other than the area office to which the 'Returns' are being submitted. Such schedules should be prepared area-wise with one additional copy. The name of the area office to which the schedules pertain should be prominently written on the top thereof. Separate Schedules "A-1", "A-2" and "A-3" must be attached to the summary statement relating to each currency. It is not permitted, for example, to enter the Forms 'E' in U.S. dollars and Pound Sterling on the same summary statement.

SCHEDULE "B" (APPENDIX V-115)

Purchases of a currency against sale of other foreign currencies are to be listed on Schedule "B". Separate schedule should be used for each currency purchased. Foreign Exchange Operations Department area from where the currency is purchased must be mentioned in specified column. The schedule will be attached with relevant Summary Statement "S-1" and total of the currency purchased must agree with the amount shown against item 'Purchases against sale of other foreign currencies' on receipt side of the Statement "S-1".

SCHEDULE "C" (APPENDIX V-116)

The currencies purchased from Authorized Dealers or branches in Pakistan maintaining a separate currency position must be listed on Schedule 'C'. A separate schedule should be made out for each currency with its name written on the schedule and must be attached to the relative "S-1" statements.

SCHEDULE "D" (APPENDIX V-117)

Foreign currencies purchased from and sold to the State Bank must be entered on Schedule "D" and totals entered on the "S-I" statements.

SCHEDULES "E-2", "E-3" and "E-4" (APPENDICES V-111, V-112 and V-113).

Forms relating to sales of foreign currencies to the public must be listed as under:

i) "I" Forms on "E-2".

ii) "T-1" Forms on "E-3".

iii) "M" Forms on "E-4".

As with Schedules "A-1" and "A-2", separate schedule must be made out for each currency and attached to the respective "S-1", "S-4", or "S-6" statement. For every item listed in the schedule there must be a payment Form "I", "T-1" or "M" as appropriate to the transaction and these forms must accompany the relative schedules. No forms should be submitted which are not listed on the schedules.

SCHEDULE "F" (APPENDIX V-118)

The sale of a currency against purchase of other foreign currencies is to be listed on Schedule 'F'. A separate schedule should be used for each currency sold and the Foreign Exchange Operations Department area to which the currency is sold must be mentioned in the specified column. The schedule will be attached with relevant Summary Statement "S-1" and total of sales in the schedule must agree with the amount entered against item "Sales against purchase of other Foreign Currency" on the sales side of "S-1" statement.

SCHEDULE "G" (APPENDIX V-119)

The currencies sold to Authorized Dealers or branches in Pakistan maintaining a separate currency position must be listed on Schedule "G". A separate schedule must be made out for each currency with its name written on the schedule and must be attached to the relative "S-1" statements.

SCHEDULE "H" (APPENDIX V- 120)

Currencies bought against credit to non-resident bank Rupee accounts must be entered on Schedule "H". A separate schedule must be made out for each currency and attached in duplicate to the relative summarized Statement "S-1" and total amount of currency shown on the schedule must agree with item 4 on the purchases side of the relative summary statement, while total of Rupees must agree with the total of items on credit side of "S-4" statement.

SCHEDULE "J" (APPENDIX V- 110)

All Forms "R" and "IRV" must be listed on Schedule "J" and a separate list should be made for each currency. The schedules must be attached to the relative "S-1", "S-4", or "S-6" statement and the totals on the schedule must agree with those entered in the statements. For every item appearing in the schedule, a "R" Form/"IRV" must be attached. In the case of encashment of foreign currency instruments of foreign missions in Pakistan, the name of the mission concerned, should invariably be mentioned in Form "R"/"IRV" (Appendix V-121/Appendix V- 122). Authorized Dealers must carefully note that Schedule 'J' is to cover all receipts OTHER THAN EXPORTS. Export receipts are to be reported on Schedules 'A-1' and 'A-2' and not on Schedule 'J'. "R" Form is to be used for amounts over US$ 10,000 (or equivalent in other currencies), for purposes other than Family Maintenance Remittances and Exports. For amounts of US$ 10,000 and less received for purposes other than 'Family Maintenance Remittances' and all amounts received as 'Family Maintenance Remittances', Authorized Dealer will prepare one IRV for same currency, country and purpose for one reporting period i.e. for the whole month. The item will be listed individually and the total thereof will be entered on relevant schedule 'J' of same currency. In case the number of entries are large and more pages for IRV are required, continuation sheets may be used. All inward remittances sent by individuals from abroad in favour of individuals in Pakistan may be treated

as “Un-requited Transfers-Family Maintenance” unless voluntarily disclosed by the beneficiary to be for some other purpose.[10]

The Authorized Dealers are now required to include additional information about the status (Ultimate Controlling Parent – UCP or Ultimate remitter, head office, branch, subsidiary, associate, agent/bank, etc.) and country of the immediate remitter, country of the UCP/ultimate remitter in Form R. The additional information regarding the status and country of the immediate remitter, country of the UCP/ultimate remitter would be reported to the State Bank through Schedule J/O-3. For every item appearing in the schedule, Form R must be submitted to Statistics & Data Warehouse Department and other relevant Departments of the State Bank for the purpose of verification. Both Form R and Schedule J/O-3 have been amended accordingly for immediate implementation.

Authorized Dealers are also required to report the additional information to Statistics & Data Warehouse Department under monthly ITRS through DWH portal (DAG 4) w.e.f. November 30, 2011.

Keeping in view the importance of the information, the Authorized Dealers are strongly advised to take extra care in filling the forms and the reporting schedules. Strict punitive action will be taken against the Authorized Dealers for reporting incorrect or incomplete information.

SCHEDULE "K" (APPENDIX V-123)

The Schedule "K" is not related to the Summary Statements "S-1", "S-4", or "S-6" (See paragraph 13 ibid).

SCHEDULE "L" (APPENDIX V-124)

Debits to non-resident bank Rupee account covering transfers to other non-resident bank Rupee accounts must be listed on Schedule "L" and the total amounts of Rupees should agree with the total on "S-4" statement. The schedule should be submitted to the State Bank in duplicate with relative summary statements.

SCHEDULE "M" (APPENDIX V-125)

Debits to non-resident bank Rupee accounts against sales of foreign currencies must be listed on Schedule "M" and the total should agree with the amount entered on "S-4" statement. For example, if U.S. dollars are sold to a U.S. bank against debit to that bank's non-resident Rupee account, the U.S. dollar will be reported against item No.4 on the sales side of the "S-1" statement for U.S. dollars. The schedule should be submitted to the State Bank in duplicate with the relative summary statements.

SCHEDULE "N" (APPENDIX V-126)

The closing balance of the non-resident bank Rupee accounts must be listed on Schedule "N". They should be grouped according to countries or currency groups. The final total must agree with the amount entered for closing balance on the "S-4" statement.

[10] FE Circular No 16 dated September 10, 2003.

SCHEDULE "O" & "P" (APPENDICES V-127 & V-128)

The branches operating on Head/Principal Office/another branch account shall prepare the summary statements with the supporting schedules i.e. A-1/O-1, A-2/ O-2, J/ O-3, E-2/P-2, EL2/EL3-P-2, E-3/P-3 & E-4/P-4 in quadruplicate. The originals, duplicates and triplicates of these schedules, after deleting O-1, O-2, O-3 and similarly after deleting P-2, P-3 & P-4 respectively, will be sent alongwith the summary statements and relevant forms to the area office of the Foreign Exchange Operations Department. The quadruplicates, after deleting A-1, A-2, J, EL2/EL3, E-2, E-3 and E-4 from the heading, will be sent to the office of the Authorized Dealer whose foreign currency account has been operated. The Authorized Dealer whose currency account has been operated upon will amend the Schedules O-1, O-2, O-3, P-2, P-3 and P-4 received from the branch by deleting such entries which have not been booked during the reporting period and adding those of the previous period which have been booked during this period. Particulars of such entries must be listed in full i.e. relevant form number, code number etc. The total of the amended Schedules O-1, O-2, O-3 will be listed on Schedule "O" and the total of Schedules P-2, P-3 and P-4 listed on Schedule "P" for each branch. The aggregates of Schedules "O" and "P" should respectively match with item 7 of the purchases and item 8 of sales side of the Summary Statements "S-1" and item 6 of purchases and item 7 of sales side of the Summary Statement "S-4". In view of the extra work involved in preparation of the supporting schedules in respect of branch transactions, the Head/Principal Office may submit them to the State Bank within seven days from the date of submission of the summary statement/schedules. In other words, summary statements alongwith all schedules, other than "O" and "P" and their supporting Schedules O-1, O-2, O-3, P-2, P-3 and P-4 should be submitted within the existing time limit viz. 5th followed by Schedules "O" and "P" by the 17th.

SCHEDULE "R" (APPENDIX V-129)

Credits to non-resident bank Rupee accounts covering transfers from other non-resident bank Rupee accounts must be listed on Schedule "R" and the total amounts of Rupees must agree with the total on "S-4" Statement. The schedule should be submitted to the State Bank in duplicate with the relative summary statement.

8. Reporting of Imports under Loans, Credit and Grants.

SCHEDULE "LAC-NR" (APPENDIX V-130)

This schedule is to be used in respect of imports under loans/aid, credits and grants where no remittances are involved. Branches of Authorized Dealers through whom transactions are processed, would submit Schedule "LAC-NR" to the respective area office of the Foreign Exchange Operations Department alongwith the monthly Exchange returns. In addition to the Schedule "LAC-NR" a summary statement styled "Summary Statement—LAC-NR" (Appendix V-131) which will be an abstract of the amount allocated, opening balance, payments i.e. utilization and closing balance at the end of each month shall be submitted by Head/Principal Offices duly supported by Schedule "LAC-NR" wherein they will incorporate transactions of their branches as also their own. There may be instances where payments for invisible items such as bank charges, service charges etc., out of the loans/aid, credits and grants may also be involved. Such transactions shall also be incorporated in Schedule "LAC-NR". Invisible items should, however, be listed at the end of the schedule.

SCHEDULES "EL2"/"EL3" (APPENDIX V-132)

These schedules will be prepared in duplicate in the following manner:

(i) Form 'I' in respect of imports under reimbursable loans and credits under which payments are first made out of Pakistan's cash resources and subsequently reimbursed by Loan/Aid giving agency shall be listed on Schedule "EL2".

(ii) In cases of suppliers credit under which remittance of down payment is involved, Schedule "EL3" will be used.

As the transactions in cover of the items (i) and (ii) above effect the currency accounts, the same will be reported in the relative "S-1" statements but shall be listed separately on Schedule "EL-2" or "EL3", as the case may be. Care should be taken to ensure that items listed on Schedule "EL-2" or "EL3" are not listed on Schedule "E-2".

Separate schedule should be used for each loan or credit. The name of the loan should be clearly described on the schedule in the space provided there for.

9. Opening and Closing Balances.

The opening and closing balances are to be taken from the currency accounts in the books of the Authorized Dealer. The abbreviations "Cr." or "Dr." on the summarized statements are intended to signify:

"Cr." Credit balances with agents or correspondents abroad as shown by debit balances in own books.

"Dr." Debit balances with agents or correspondents abroad as shown by credit balances in own books.

Balances of customer's foreign currency accounts should be excluded from the Authorized Dealer's balance.

10. Items without Schedules.

No schedules are needed for the following items on the various statements viz.

	Purchase Side (Item No.)	Sales Side (Item No.)
"S-1"	NIL	4
"S-4"	NIL	5
"S-6"	3	3

All that is necessary is to insert one total covering the relative period.

11. Foreign Currency Notes.

Authorized Dealers must not include their holdings of foreign currency notes in the balances reported on the "S-1" statement and they are to omit their transactions in currency notes completely except where such transactions result directly in entries in their currency accounts. Examples of these are when an Authorized Dealer imports bank or currency notes from abroad paying for them by drawing on the currency account and alternatively when an Authorized Dealer sends a bunch of currency notes abroad to be credited to its account. In the first instance the transaction should be treated as the sale of currency and reported on Form 'M', which will be included in Schedule "E-3". In the second case, the Authorized Dealer will report the purchase of the currency on Form "R"/"IRV"-Schedule "J" attached with Statement "S-I". As a consequence of this, if a traveler obtains US$900/- in travelers cheques and US$100/- in currency notes as his travel quota, the transaction must be included in Statement "S-l" as the sale of US$900/- & the transaction of US$100/- in notes will be reported on Statement "S-6".

Authorized Dealers must report to the State Bank purchases and sales of foreign currency notes on the prescribed Statement "S-6" which should be sent in duplicate duly supported with relative schedules/forms.

12. Method of Dispatch of Statements "S-1", "S-4" and "S-6" to the State Bank.

When the statements are being dispatched to the SBP-Banking Services Corporation, they should be put in separate envelopes or packages i.e. the "S-1", "S-4" and "S-6" statements each separately. On the outside of the envelopes or covers preferably on the back on the top left corner, the name of the Authorized Dealer, the last date of the respective period, the type of statement enclosed and the currency should be shown. Example: XYZ Bank, Period ended 30-06-2015 "S-1", U.S. $.

Transactions under barter agreement expressed in foreign currencies will be reported on "S-1" statement.

The statements "S-1", "S-4"and "S-6" should be made as on the last day of each month. They should reach the SBP-Banking Services Corporation/State Bank at the latest by the 3rd of the following month to which they relate from the branches and by the 5th from the Head Offices of Authorized Dealers. However, as the various statements are to be sent in separate covers, those statements which are completed earlier may be sent immediately without waiting for others which may still be under preparation.

13. Operations on Private Non-Resident Rupee Accounts.

Authorized Dealers must submit on Schedule "K" a return of operations on private non-resident Rupee accounts (i.e. other than Rupee accounts of non-resident banks which are reported on "S-4" statement) on quarterly basis reaching the area office of the Foreign Exchange Operations Department by the 12th April, 12th July, 12th October & 12th January. Only totals for all such accounts of credits and debits passed during the period and of the balances are required. Total amounts of debits and credits given on Schedule "K" must agree with the aggregate amounts of Forms A-7 enclosed with the schedule. Schedule "K" consists of following categories:

i) Private Non-Resident Rupee Account of Indian nationals other than Banks Branches and Correspondents.

ii) Private Non-Resident Rupee Account of Non-Indian nationals excluding Banks Branches and Correspondents.

14. Record of Exchange Position.

Authorized Dealers are required to maintain record of their exchange position in each currency in which they maintain an account as at the close of business in the prescribed form (Appendix V-133). The Exchange position performa has been drawn up to suit the different types of book keeping used in different banks and in some cases some of the items will not be required. The main items which may cause some difficulty are explained below. In the event of any further difficulty being encountered, the Authorized Dealers should refer the matter to the State Bank.

(i) OUTWARD BILLS PURCHASED (TEMPORARY ACCOUNT).

Banks have different methods of entering bills purchased. Some banks enter these immediately into their currency account, in which case this item will not be required. On the other hand some banks debit their bills purchased to a temporary suspense account and transfer to their currency account at the estimated time when the bill is payable. In the Exchange position, the total in the suspense account must be entered under this heading.

(ii) BILLS NEGOTIATED ABROAD CHARGED TO ACCOUNT AND RESPONDED TO BUT NO SALES SHOWN IN EXCHANGE POSITION.

This is intended to cover bills which have been received after negotiation abroad, entered into the currency account but not taken up by the customers, when the person who has had the relative credit opened covers the requirements by a forward purchase of currency. The amount of such bills should be shown under the heading in order to off-set the effect of outstanding forward sales included on the sales side on the final position.

(iii) PROCEEDS OF BILLS: SALES BOOKED BUT NOT CREDITED IN LOCAL BOOKS.

This item is intended for those banks who have to remit currency to their agents and who have booked the sale but have not entered the amount in their currency accounts. For example suppose that a bank in Karachi has to remit the proceeds of a Sterling bill to its London correspondent; if the sale has been booked but owing to one reason or the other it has not been able to pass entries in its books or issue the advice, then the amount must be shown here. Again some banks if they issue drafts do not credit their currency accounts until such estimated time as their correspondents will receive the advice of issue, the amount is held in a suspense account in the interval. Such amounts must be shown under this heading.

(iv) FOREIGN CURRENCY BILLS, MAIL TRANSFERS AND TELEGRAPHIC TRANSFERS PAYABLE.

Banks receive from their correspondents advices of drafts in foreign currency issued on them or Mail and Telegraphic Transfers to pay foreign currency or its equivalent. This in fact will ultimately be a purchase of the currency from the beneficiary of the transaction. If the Authorized Dealer does not enter into its currency position the amount of draft or transfer until it is actually paid, this heading will not be required. If, however, it enters the amount in its currency account immediately on the receipt of the advice with a contra entry to a suspense account, the amount outstanding in the suspense account must be entered here.

15. Statement of Outstanding Import Commitments.

Authorized Dealers are required to submit to the State Bank fortnightly statements of outstanding commitments against cash resources in the prescribed forms (Appendices V-134, V-135, V-136, V-137) as on 15th and last day of each month reaching the Foreign Exchange Operations Department, SBP-Banking Services Corporation, Karachi by the 22nd and 7th showing breakdown of figures with month-wise maturity thereof classified allocation-wise as under:

(i) Specific allocation.

(ii) Private Sector imports.

16. Returns of Blocked Accounts and Securities.

Authorized Dealers are required to furnish a yearly return in the prescribed form (Appendix V- 138) to the State Bank at the end of each year ending 31st December, showing the balance held by them in blocked accounts. This return should show the country of residence of each account holder separately. Similarly, a yearly return in the prescribed form (Appendix V-139) showing the securities held by them on blocked accounts should also be furnished. These returns should include the balance and securities held in non-resident accounts blocked by orders of the State Bank. Where there are no accounts or securities to report, "NIL" return should be sent. The returns should be made as on the 31st December, each year and should reach the State Bank not later than 7th January.

Foreign Exchange Regulation Act, 1947
(VII of 1947)

Act No. VII of 1947
(11th March, 1947)

An Act to regulate certain payments, dealings in foreign exchange and Securities and the import and export of currency and bullion.

WHEREAS it is expedient in the economic and financial interest of Pakistan to provide for the regulation of certain payments, dealings in foreign exchange and securities and the import and export of currency and bullion;

It is hereby enacted as follows: -

1. Short title, extent and commencement. (1) This Act may be called the Foreign Exchange Regulation Act, 1947.

(2) It extends to the whole of Pakistan and applies to all citizens of Pakistan and persons in the service of Government wherever they may be.

(3) It shall come into force on such date as the Federal Government may, by notification in the official Gazette, appoint in this behalf.

2. Interpretation.

In this Act, unless there is anything repugnant in the subject or context:-

(a) "Appellate Board" means a foreign Exchange Regulation Appellate Board constituted under sub-section (1) of section 23C;

(aa) “Authorised Dealer” means a person for the time being authorised under section 3 to deal in foreign exchange;

(ab) “Authorized Money Changer” means a person for the time being authorized under section 3A to deal in foreign currency notes and coins.

(b) "Currency" includes all coins, currency notes, bank notes, postal notes, money orders, cheques, drafts, traveler’s cheques, letters of credit, bills of exchange and promissory notes;

(ba) “Exchange Company” means a company authorized under section 3AA to deal in foreign currency notes, coins, postal notes, money orders, bank drafts, travellers cheques and transfers;

(c) "Foreign Currency" means any currency other than Pakistan currency;

(d) "Foreign Exchange" means foreign currency and includes any instrument drawn, accepted, made or issued under clause (8) of section 17 of the State Bank of Pakistan Act, 1956, all deposits, credits and balance payable in any foreign currency,

and any drafts, traveler’s cheques, letters of credit and bills of exchange, expressed or drawn in Pakistan currency but payable in any foreign currency;

(e) "Foreign Security" means any security issued elsewhere than in Pakistan and any security the principal of or interest on which is payable in any foreign currency or elsewhere than in Pakistan;

(f) "Gold" includes gold in the form of coin, whether legal tender or not, or in the form of bullion or ingot, whether refined or not;

(g) "Pakistan currency" means currency which is expressed or drawn in Pakistan rupees;

(h) "Owner", in relation to any security, includes any person who has power to sell or transfer the security, or who has the custody thereof or who receives, whether on his own behalf or on behalf of any other person, dividends or interest thereon, and who has any interest therein, and in a case where any security is held on any trust or dividends or interest thereon are paid into a trust fund, also includes any trustee or any person entitled to enforce the performance of the trust or to revoke or vary, with or without the consent of any other person, the trust or any terms thereof, or to control the investment of the trust moneys;

(i) "Prescribed" means prescribed by rules made under this Act;

(j) "State Bank" means the State Bank of Pakistan;

(k) "Security" means shares, stocks, bonds, debentures, debenture stock and Government securities, as defined in the Securities Act, 1920, deposit receipts in respect of deposits of securities, and units or sub-units of unit trusts, but does not include bills of exchange or promissory notes other than Government promissory notes;

(l) "Silver" means silver bullion or ingot, silver sheets and plates which have undergone no process of manufacture subsequent to rolling and uncurrent silver coin which is not legal tender in Pakistan or elsewhere;

(m) "Transfer" includes, in relation to any security, transfer by way of loan or security.

3. Authorised Dealers in Foreign Exchange.

(1) The State Bank may, on application made to it in this behalf, authorize any person to deal in foreign exchange.

(2) An authorisation under this section:-

(i) may authorize dealings in all foreign currencies or may be restricted to authorizing dealings in specified foreign currencies only;

(ii) may authorise transactions of all descriptions in foreign currencies or may be restricted to authorizing specified transactions only;

(iii) may be granted to be effective for a specified period, or within specified amounts.

(3) An authorised dealer shall in all his dealings, in foreign exchange comply with such general or special directions or instructions as the State Bank may from time to time think fit to give, and, except with the previous permission of the State Bank, an authorised dealer shall not engage in any transaction involving any foreign

exchange which is not in conformity with the terms of his authorization under this section.

(4) An authorized dealer shall, before undertaking any transaction in foreign exchange on behalf of any person, require that person to make such declarations and to give such information as will reasonably satisfy him that the transaction will not involve, and is not designed for the purpose of, any contravention or evasion of the provisions of this Act or of any rules, directions or orders made thereunder, and where the said person refuses to comply with any such requirement or makes only unsatisfactory compliance therewith, the authorised dealer shall refuse to undertake the transaction and shall, if he has reason to believe that any such contravention or evasion as aforesaid is contemplated by the person, report the matter to the State Bank.

3A. Authorized money changers in foreign exchange.

(1) The State Bank may, on application made to it in this behalf, and on payment of a fee prescribed by it, from time to time, authorize any person to deal in foreign currency notes and coins.

(2) The power conferred under sub-section (1) shall be exercised on the basis of criteria prescribed, and recommendations made, by a committee consisting of such official and non-official representatives as may be nominated by the State Bank.

(3) An authorization made under this section may be for a specific period of time, which may be renewed thereafter.

(4) An authorized money changer shall, in all his dealings under the authorization, comply with such general or special directions or instructions as the State Bank may, from time to time, think fit to give including those for supply of data, the rate and code of conduct in doing business. Failure to comply with the instructions may lead to suspension of the licence or other actions as necessary.

3AA. Exchange Companies.—(1) The State Bank may, on application made to it in this behalf, and on payment of such fee as it may, from time to time prescribe, authorize any company to deal in foreign currency notes, coins, postal notes, money orders, bank drafts, travellers cheques and transfers.

(2) For the purposes of sub-section (1), the expression "company" means a company having been formed and registered under the Companies Ordinance, 1984 (XLVII of 1984) pursuant to no objection certificate issued by the State Bank in respect thereof to the Securities and Exchange Commission of Pakistan upon receiving an intimation from the said Commission that it has received an application for the formation of the company.

(3) The power conferred under sub-section (1) shall be exercised on the basis of the eligibility criteria prescribed for exchange companies by the State Bank.

(4) Exchange Companies shall, in all their dealings, comply with—

(i) the terms and conditions of the authorizations issued to them under sub-section (1); and

(ii) such general or special directions or instructions as the State Bank may, from time to time, issue including those set out in the circulars and foreign exchange manual of the State Bank.

(5) Failure to comply with any such terms and conditions, directions or instructions imposed, given or issued may lead to suspension of authorization or any other action as deemed necessary by the State Bank.

3B Cancellation of authorization.

If an authorized dealer, exchange company or money changer commits a contravention of any term of authorization or uses it for any purpose other than the purpose, or after the expiry of the period, for which it was given or contravenes or attempts to contravene or abets the contravention of the provisions of , or the general or special directions or instructions or permissions issued by the State Bank from time to time under any provisions of, this Act or any rules made thereunder or engages in transactions not in conformity with the terms of authorization or fails to comply with any of the provisions of this Act or any rules, directions, instructions, or permissions made, issued or given thereunder or in the public interest it is necessary so to do or there otherwise exist reasons appearing sufficient to the State Bank, after giving a reasonable opportunity of being heard to the authorized dealer, exchange company or money changer cancel the authorization.

Provided that, if, in the opinion of the State Bank, any delay would be prejudicial to the public interest, the State Bank may, at the time of giving an opportunity as aforesaid or at any time thereafter and pending the hearing as aforesaid, if any, by order suspend, for a period specified in the order, the authorization either wholly or to such extent as may be so specified.

4. Restrictions on dealing in Foreign Exchange.

(1) Except with the previous general or special permission of the State Bank, no person other than an authorised dealer shall in Pakistan, and no person resident in Pakistan other than an authorised dealer shall outside Pakistan, buy or borrow from, or sell or lend to, or exchange with, any person not being an authorised dealer, any foreign exchange.

(2) Except as may otherwise be directed by the State Bank, authorized dealers, authorized money changers and exchange companies shall be free to determine exchange rates for the conversion of Pakistan currency into any foreign currency or any foreign currency into Pakistan currency.

(3) Where any foreign exchange is acquired by any person other than an authorised dealer of any particular purpose, or where any person has been permitted conditionally to acquire foreign exchange, the said person shall not use the foreign exchange so acquired otherwise than for that purpose or, as the case may be, fail to comply with any condition to which the permission granted to him is subject, and where any foreign exchange so acquired cannot be so used or, as the case may be,

the conditions cannot be complied with, the said person shall without delay sell the foreign exchange to an authorised dealer.

(4) Nothing in this section shall be deemed to prevent a person from buying from any post office, in accordance with any law or rules made thereunder for the time being in force, any foreign exchange in the form of postal orders or money orders.

5. Restrictions on payments.

(1) Save as may be provided in and in accordance with any general or special exemption from the provisions of this sub-section which may be granted conditionally or unconditionally by the State Bank, no person in, or resident in, Pakistan shall—

(a) make any payment to or for the credit of any person resident outside Pakistan;

(b) draw, issue or negotiate any bill of exchange or promissory note or acknowledge any debt, so that a right (whether actual or contingent) to receive a payment is created or transferred in favour of any person resident outside Pakistan;

(c) make any payment to or for the credit of any person by order or on behalf of any person resident outside Pakistan;

(d) place any sum to the credit of any person resident outside Pakistan;

(e) make any payment to or for the credit of any person as consideration for or in association with—

(i) the receipt by any person of a payment or the acquisition by any person of property outside Pakistan;

(ii) the creation or transfer in favour of any person of a right whether actual or contingent to receive a payment or acquire property outside Pakistan;

(f) draw, issue or negotiate any bill of exchange or promissory note, transfer any security or acknowledge any debt, so that a right (whether actual or contingent) to receive a payment is created or transferred in favour of any person as consideration for or in association with any matter referred to in clause (e).

(2) Nothing in sub-section (1) shall render unlawful—

(a) the making of any payment already authorized, either with foreign exchange obtained from an authorized dealer under section 4 or with foreign exchange retained by a person in pursuance of an authorization granted by the State Bank;

(b) the making of any payment with foreign exchange received by way of salary or payment for services not arising from business in, or anything done while in Pakistan.

(3) Nothing in this section shall restrict the doing by any person of anything within the scope of any authorization or exemption granted under this Act.

(4) For the purposes of this section, "security" also includes coupons or warrants representing dividends or interest and life or endowment insurance policies.

6. Blocked accounts.

(1) Where an exemption from the provisions of section 5 is granted by the State Bank in respect of payment of any sum to any person resident outside Pakistan and the exemption is made subject to the condition that the payment is made to a blocked account—

(a) the payment shall be made to a blocked account in the name of that person in such manner as the State Bank may by general or special order direct; and

(b) the crediting of that sum to that account shall, to the extent of the sum credited, be a good discharge to the person making the payment.

(2) No sum standing at the credit of a blocked account shall be drawn on except in accordance with any general or special permission which may be granted conditionally or otherwise by the State Bank.

(3) In this section "blocked account" means an account opened as a blocked account at any office or branch in Pakistan of a bank authorized in this behalf by the State Bank, or an account blocked, whether before or after the commencement of this Act, by order of the State Bank.

7. Special accounts.

(1) Where in the opinion of the Federal Government it is necessary or expedient to regulate payments due to persons resident in any territory, the Federal Government may, by notification in the official Gazette, direct that such payments or any class of such payments shall be made only into an account (hereinafter referred to as a special account) to be maintained for the purpose by the State Bank or an authorized dealer specially authorized by the State Bank in this behalf.

(2) The credit of a sum to a special account shall, to the extent of the sum credited, be a good discharge to the person making the payment:

Provided that where the liability of the person making the payment is to make the payment in foreign currency, the extent of the discharge shall be ascertained by converting the amount paid into that currency at such rate of exchange as is for the time being fixed or authorized by the State Bank.

(3) The sum standing to the credit of any special account shall from time to time be applied—

(a) where any agreement is entered into between the Federal Government and the Government of the territory to which the aforesaid notification relates for the regulation of payments between persons resident in Pakistan and in that territory, in such manner as the State Bank, having regard to the provisions of such agreement, may direct; or

(b) where no such agreement is entered into, for the purpose of paying wholly or partly, and in such order of preference and at such times as the Federal Government

may direct, debts due from the persons resident in the said territory to persons resident in Pakistan or in such other territories as the Federal Government may by order specify in this behalf.

8. Restrictions on import and export of certain currency and bullion.

(1) The Federal Government may, by notification in the official Gazette, order that, subject to such exemptions, if any, as may be contained in the notification, no person shall, except with the general or special permission of the State Bank and on payment of the fee, if any, prescribed bring or send into Pakistan any gold or silver or any currency notes or bank notes or coin whether Pakistan or foreign.

[*Explanation*.—The bringing or sending into any part or place in the territories of Pakistan of any such article as aforesaid, intended to be taken out of the territories of Pakistan without being removed from the ship or conveyance in which it is being carried, shall nonetheless be deemed to be bringing or as the case may be sending, into the territories of Pakistan of that article for the purposes of this section.]

(2) No person shall, except with the general or special permission of the State Bank or the written permission of a person authorized in this behalf by the State Bank, take or send out of Pakistan any gold, jewelry or precious stones, or Pakistan currency notes, bank notes or coin or foreign exchange.

(3) The restrictions imposed by sub-sections (1) and (2) shall be deemed to have been imposed under section 16 of the Customs Act, 1969, without prejudice to the provisions of section 23 of this Act, and all the provisions of that Act shall have effect accordingly.

9. Acquisition by Federal Government of foreign exchange.

The Federal Government may, by notification in the official Gazette, order every person in, or resident in, Pakistan-

(a) who owns or holds such foreign exchange as may be specified in the notification, to offer it, or cause it to be offered for sale to the State Bank on behalf of the Federal Government or to such person, as the State Bank may authorize for the purpose, within such time as may be specified in the notification and at such price as the Federal Government may fix, being a price which is in the opinion of the Federal Government not less than the market rate of the foreign exchange when it is offered for sale;

(b) who is entitled to assign any right to receive such foreign exchange as may be specified in the notification, to transfer that right to the State Bank on behalf of the Federal Government on payment of such consideration therefor as the Federal Government may fix:

Provided that the Federal Government may by the said notification or another order exempt any person or class of persons from the operation of such order:

Provided further that nothing in this section shall apply to any foreign exchange acquired by a person from an authorized dealer and retained by him with the permission of the State Bank for any purpose.

10. Duty of persons entitled to receive foreign exchange, etc.

(1) No person who has a right to receive any foreign exchange or to receive from any person resident outside Pakistan a payment in rupees shall, except with the general or special permission of the State Bank, do or refrain from doing any act with intent to secure—

(a) that the receipt by him of the whole or part of that foreign exchange or payment is delayed, or

(b) that the foreign exchange or payment ceases in whole or in part to be receivable by him.

(2) Where a person has failed to comply with the requirements of sub-section (1) in relation to any foreign exchange or payment in rupees, the State Bank may give to him such directions as appear to be expedient for the purpose of securing the receipt of the foreign exchange or payment as the case may be.

11. Power to regulate the uses, etc., of imported gold and silver.

The Federal Government may, by notification in the official Gazette, impose such conditions as it thinks necessary or expedient on the use or disposal of or dealings in gold and silver prior to, or at the time of, import into Pakistan.

12. Payment for exported goods.

(1) The Federal Government may, by notification in the official Gazette, prohibit the export of any goods or class of goods specified in the notification from Pakistan directly or indirectly to any place so specified unless a declaration supported by such evidence as may be prescribed or so specified, is furnished by the exporter to the prescribed authority that the amount representing the full export value of the goods has been, or will within the prescribed period be, paid in the prescribed manner.

(2) Where any export of goods has been made to which a notification under sub-section (1) applies, no person entitled to sell, or procure the sale of, the said goods shall, except with the permission of the State Bank, do or refrain from doing any act with intent to secure that—

(a) the sale of the goods is delayed to an extent which is unreasonable having regard to the ordinary course of trade, or

(b) payment for the goods is made otherwise than in the prescribed manner or does not represent the full amount payable by the foreign buyer in respect of the goods, subject to such deductions, if any, as may be allowed by the State Bank, or is delayed to such extent as aforesaid:

Provided that no proceedings in respect of any contravention of this sub-section shall be instituted unless the prescribed period has expired and payment for the goods representing the full amount as aforesaid has not been made in the prescribed manner.

(3) Where in relation to any such goods the said period has expired and the goods have not been sold and payment therefor has not been made as aforesaid, the

State Bank may give to any person entitled to sell the goods or to procure the sale thereof, such directions as appear to it to be expedient for the purpose of securing the sale of the goods and payment therefor as aforesaid, and without prejudice to the generality of the foregoing provision, may direct that the goods shall be assigned to the Federal Government or to a person specified in the directions.

(4) Where any goods are assigned in accordance with sub-section (3), the Federal Government shall pay to the person assigning them such sum in consideration of the net sum recovered by or on behalf of the Federal Government in respect of the goods as may be determined by the Federal Government.

(5) Where in relation to any such goods the value as stated in the invoice is less than the amount which in the opinion of the State Bank represents the full export value of those goods, the State Bank may issue an order requiring the person holding the shipping documents to retain possession thereof until such time as the exporter of the goods has made arrangements for the State Bank or a person authorized by the State Bank to receive on behalf of the exporter payment in the prescribed manner of an amount which represents in the opinion of the State Bank the full export value of the goods.

(6) For the purpose of ensuring compliance with the provisions of this section and any orders or directions made thereunder, the State Bank may require any person

making any export of goods to which a notification under sub-section (1) applies to exhibit contracts with his foreign buyer or other evidence to show that the full amount payable by the said buyer in respect of the goods has been, or will within the prescribed period be, paid in the prescribed manner.

13. Regulation of export and transfer of securities.

(1) No person shall, except with the general or special permission of the State Bank,—

(a) take or send any security to any place outside Pakistan;

(b) transfer any security or create or transfer any interest in a security to or in favour of a person resident outside Pakistan;

(c) transfer any security from a register in Pakistan to a register outside Pakistan or do any act which is calculated to secure, or forms part of a series of acts which together are calculated to secure, the substitution for any security which is either in, or registered in Pakistan, of any security which is either outside or registered outside Pakistan;

(d) issue, whether in Pakistan or elsewhere, any security which is registered or to be registered in Pakistan, to a person resident outside Pakistan.

(2) Where the holder of a security is a nominee, neither he nor any person through whose agency the exercise of all or any of the holder's rights in respect of the security is controlled shall, except with the general or special permission of the State Bank, do any act whereby he recognises or gives effect to the substitution of another person as the person from whom he directly receives instructions, unless both the persons previously instructing him and the person substituted for that person were, immediately before the substitution, resident in Pakistan.

(3) The State Bank may, for the purpose of securing that the provisions of this section are not evaded, require that the person transferring any security and the person to whom such security is transferred shall subscribe to a declaration that the transferee is not resident outside Pakistan.

(4) Notwithstanding anything contained in any other law, no person shall, except with the permission of the State Bank,

(a) enter any transfer of securities in any register or book in which securities are registered or inscribed if he has any ground for suspecting that the transfer involves any contravention of the provision of this section, or

(b) enter in any such register or book, in respect of any security, whether in connection with the issue or transfer of the security or otherwise, an address outside Pakistan except by way of substitution for any such address in the same country or for the purpose of any transaction for which permission has been granted under this section with knowledge that it involves entry of the said address.

(5) For the purposes of this section,

(a) "holder" in relation to a bearer security means the person having physical custody of the security; provided that, where a bearer security is deposited with any person in a locked or sealed receptacle from which the person with whom it is

deposited is not entitled to remove it without the authority of some other person, that other person shall be deemed to be the holder of the security;

(b) "nominee" means a holder of any security (including bearer security) or any coupon representing dividends or interest who, as respects the exercise of any rights in respect of the security or coupon, is not entitled to exercise those rights except in accordance with instructions given by some other person, and a person holding a security or coupon as a nominee shall be deemed to act as nominee for the person who is entitled to give instructions either directly or through the agency of one or more persons, as to the exercise by the holder of the security or coupon of any rights in respect thereof and is not, in so doing, himself under a duty to comply with instructions given by some other person;

(c) "security" also includes coupons or warrants representing dividends or interest, and life or endowment insurance policies;

(d) "a person resident outside Pakistan" includes a foreign national for the time being resident in Pakistan, and a company registered in Pakistan which is controlled, directly or indirectly, by a person resident outside Pakistan.

14. Custody of securities.

(1) The Federal Government may, by notification in the official Gazette, order every person by whom or on whose behalf a security or document of title to a security specified in the order is held in Pakistan to cause the said security or document of title to be kept in the custody of an authorized depository named in the order:

Provided that the State Bank may by order in writing permit any such security to be withdrawn from the custody of the authorized depository subject to such conditions as may be specified in the order.

(2) No authorized depository may part with any security covered by an order under sub-section (1) without the general or special permission of the State Bank except to, or to the order of, another authorized depository.

(3) Except with the general or special permission of the State Bank, no authorized depository shall-

(a) accept or part with any security covered by an order under sub-section (1) whereby the security is transferred into the name of a person resident outside Pakistan, or

(b) do any act whereby he recognises or gives effect to the substitution of another person as the person from whom he directly receives instructions relating to such security unless the person previously so instructing him and the person substituted for that person were immediately before the substitution resident in Pakistan.

(4) Except with the general or special permission of the State Bank, no person shall buy, sell or transfer any security, or document of title to a security, covered by an order under sub-section (1) unless such security or document of title has been deposited in accordance with the order.

(5) Except with the general or special permission of the State Bank, no capital moneys, interest or dividends in respect of any security covered by an order under

sub-section (1) shall be paid in Pakistan except to or to the order of the authorized depository having the custody of the security.

(6) For the purposes of this section: -

(a) "authorized depository" means a person notified by the Federal Government to be entitled to accept the custody of securities and documents of title to securities, and

(b) "security" shall include coupons.

15. Restrictions on issue of bearer securities.

The Federal Government may, by notification in the official Gazette, order that except with the general or special permission of the State Bank no person shall in Pakistan issue any bearer security or coupon or so alter any document that it becomes a bearer security or coupon.

16. Acquisition by Federal Government of foreign securities.

(1) Subject to any exemptions that may be contained in the notification, the Federal Government may, if it is of opinion that it is expedient so to do for the purpose of strengthening its foreign exchange position by notification in the official Gazette:—

(a) order the transfer to itself of any foreign securities specified in the notification at a price so specified, being a price which is, in the opinion of the Federal Government not less than the market value of the securities on the date of the notification, or

(b) direct the owner of any foreign securities specified, in the notification to sell or procure the sale of the securities and thereafter to offer or cause to be offered the net foreign exchange proceeds of the sale to the State Bank on behalf of the Federal Government or to such person as the State Bank may authorize for the purpose, at such price as the Federal Government may fix, being a price which is in the opinion of the Federal Government not less than the market rate of the foreign exchange when it is offered for sale.

(2) On the issue of a notification under clause (a) of sub-section (1): –

(a) the securities to which the notification relates shall forth-with vest in the Federal Government free from any mortgage, pledge or charge, and the Federal Government may deal with them in such manner as it thinks fit;

(b) the owner of any of the securities to which the notification relates and any person who is responsible for keeping any registers or books in which any of those securities are registered or inscribed, or who is otherwise concerned with the registration or inscription of any of those securities, shall do all such things as are necessary or as the Federal Government or the State Bank may order to be done, for the purpose of securing that—

(i) the securities and any documents of title relating there-to are delivered to the Federal Government and, in the case of registered or inscribed securities, that the securities are registered or inscribed in the name of the Federal Government or of such nominee of the Federal Government as it may specify, and

(ii) any dividends or interest on those securities becoming payable on or after the date of the issue of the notification are paid to the Federal Government or its nominee as aforesaid and where in the case of any security payable to bearer which is delivered in pursuance of the said notification, any coupons representing any such dividends or interest are not delivered with the security, such reduction in the price payable therefor shall be made as the Federal Government thinks fit:

Provided that where the price specified in the notification in relation to any security is ex-dividend or ex-interest, this sub-clause shall not apply to that dividend or interest or to any coupon representing it.

(3) A certificate signed by any person authorized in this behalf by the Federal Government that any specified securities are securities transferred to the Federal Government under this section shall be treated by all persons concerned as conclusive evidence that the securities have been so transferred.

17. Restriction on settlement.

(1) No person resident in Pakistan shall, except with the general or special permission of the State Bank, settle any property, otherwise than by will, upon any trust under which a person who at the time of the settlement is resident outside Pakistan, elsewhere than in territories notified in this behalf by the State Bank, will

have an interest in the property, or exercise, other than by will, any power for payment in favour of a person who at the time of the exercise of the power is resident outside Pakistan elsewhere than in such notified territories.

(2) A settlement or power as aforesaid shall not be invalid except in so far as it confers any right or benefit on any person who at the time of the settlement or the exercise of the power is resident outside Pakistan, elsewhere than in territories notified by the State Bank.

18. Certain provisions as to companies.

(1) Except with the general or special permission of the State Bank, no person resident in Pakistan shall do any act whereby a company, which is controlled by persons resident in Pakistan ceases to be so controlled.

(2) Except with the general or special permission of the State Bank, no person resident in Pakistan shall lend any money or security to any company, not being a banking company, which is by any means controlled, whether directly or indirectly, by persons resident outside Pakistan elsewhere than in the territories notified in this behalf by the State Bank.

In this sub-section "company" includes a firm, branch or office of a company or firm.

19. Power to call for information.

(1) The Federal Government or the State Bank may, at any time by notification in the official Gazette, direct owners subject to such exceptions, if any, as may be specified in the notification, of such foreign exchange or foreign securities as may be so specified, to make a return thereof to the State Bank within such period, and giving such particulars, as may be so specified.

(1A) The Federal Government may, by notification in the official Gazette, direct citizens of Pakistan resident in Pakistan, or any class of such citizens, to make within such time, and giving such particulars, as may be specified in the notification, a return of any immovable property or any industrial or commercial undertaking or company outside Pakistan, held, owned, established or controlled by them or in which they have any right, title or interest.

(2) The Federal Government may by order in writing require any person to furnish it or any person specified in the order with any information, book or other document in his possession, being information, book or document which the Federal Government considers it necessary or expedient to obtain and examine for the purposes of this Act and may, at any time, by notification in the official Gazette, direct that the power to make such order shall for such period as may be specified in the direction, be exercised by the State Bank.

(3) On a representation in writing made by a person authorised in this behalf by the Federal Government or the State Bank and supported by statement on oath of such person that he has reason to believe that a contravention of any of the Provisions of this Act has been or is being or is about to be committed in any place or that evidence of the contravention is to be found in such place, a district magistrate, a sub-divisional magistrate or a magistrate of the first class, may, by warrant, authorize any police officer not below the rank of sub-inspector.

(a) to enter and search any place in the manner specified in the warrant; and

(b) seize any books or other documents found in or on such place.

Explanation.—In this sub-section, "place" includes a house, building, tent, vehicle, vessel or aircraft.

(3A) A police officer authorized under sub-section (3) may search any person who is found in or whom he has reasonable ground to believe to have recently left or to be about to enter such place and to seize any article found in the possession of or upon such person and believed by the police officer so authorized to be evidence of the commission of any offence under this Act.

(3B) A police officer authorized under sub-section (3) shall conduct any search under that sub-section or under sub-section (3A) in accordance with the provision relating to search in the Code of Criminal Procedure, 1898.

(4) The provisions of Section 122 and Sub-sections (1), (2) and (3) of Section 150 of the Income Tax Ordinance (XXXI of 1979), shall apply in relation to information obtained under Sub-section (2) of this Section as they apply to the particulars referred to in that Section and for the purposes of such applications.

(a) the said sub-section (3) shall be construed as if in clause (a) thereof there was included reference to a prosecution for an offense under section 23 of this Act, and

(b) persons to whom any information is required to be furnished under an order made under sub-section (2) of this section shall be deemed to be public servants within the meaning of that section.

19A. Power to enter and inspect.

(1) Without prejudice to the provisions of section 19, any person authorized in writing by the Federal Government or the State Bank or any adjudicating officer in this behalf may, for the purpose of making an inquiry or adjudication proceedings which he considers necessary for the purposes of this Act, enter any place and call for and inspect any accounts, books or other documents kept in such place.

(2) No person shall obstruct or hinder any person in the exercise of his powers under sub-section (1).

20. Supplemental provisions.

(1) For the purposes of this Act and of any rules, directions or orders made thereunder—

(a) until the State Bank by general or special order otherwise directs, any person who has at any time after the commencement of this Act been resident in Pakistan shall be treated as still being resident in Pakistan and if such direction is given in relation to any such person the State Bank may by the same or a subsequent direction, declare the territory in which he shall be treated as being resident;

(b) in the case of any person to whom clause (a) does not apply the State Bank may by general or special order declare the territory in which he shall be treated as being resident;

(c) in the case of any person resident in Pakistan who leaves Pakistan, the State Bank may give a direction to any bank that until the direction is revoked, any sum from time to time standing to the credit of that person and any security held on his behalf at any office or branch of that bank in Pakistan specified in the direction, shall not be dealt with except with the permission of the State Bank;

(d) any transactions with a branch of any business, whether carried on by a body corporate or otherwise, shall be treated in all respects as if the branch were a body corporate resident where the branch is situated;

(e) the making of any book entry or other statement recording a debit against a branch of any business in favour of the head office or any other branch of that business shall be treated as the acknowledgement of a debt whereby a right is created in favour of a person resident where the head office or other branch is situated.

(2) Nothing in this Act relating to the payment of any price or sum by the Federal Government shall be construed as requiring the Federal Government to pay that price or sum otherwise than in Pakistan currency or otherwise than in Pakistan.

(3) The State Bank may give directions in regard to the making of payments and the doing of other acts by bankers, authorized dealers, travel agents, carriers, whether common or private, stock brokers and other persons who are authorized by the State Bank to do anything in pursuance of this Act in the course of their business, as appear to it to be necessary or expedient for the purpose of securing compliance with the provisions of this Act and any rules, orders or directions made thereunder.

21. Contracts in evasion of this Act.

(1) No person shall enter into any contract or agreement which would directly or indirectly evade or avoid in any way the operation of any provision of this Act or of any rule, direction or order made thereunder.

(2) Any provision of, or having effect under, this Act that a thing shall not be done without the permission of the Federal Government or the State Bank, shall not render invalid any agreement by any person to do that thing, if it is a term of the agreement that that thing shall not be done unless permission is granted by the Federal Government or the State Bank, as the case may be; and it shall be an implied term of every contract governed by the law of any part of Pakistan that anything agreed to be done by any term of that contract which is prohibited to be done by or under any of the provisions of this Act except with the permission of the Federal Government or the State Bank, shall not be done unless such permission is granted.

(3) Neither the provisions of this Act nor any term (whether expressed or implied) contained in any contract that anything for which the permission of the Federal Government or the State Bank is required by the said provisions shall not be done without that permission, shall prevent legal proceedings being brought in Pakistan to recover any sum which, apart from the said provisions and any such term, would be due, whether as a debt, damages or otherwise, but –

(a) the said provisions shall apply to sums, required to be paid by any judgement or order of any Court as they apply in relation to other sums; and

(b) no steps shall be taken for the purpose of enforcing any judgement or order for the payment of any sum to which the said provisions apply except as respects so much thereof as the Federal Government or the State Bank, as the case may be, may permit to be paid; and

(c) for the purpose of considering whether or not to grant such permission, the Federal Government or the State Bank, as the case may be, may require the person entitled to the benefit of the judgement or order and the debtor under the judgement or order, to produce such documents and to give such information as may be specified in the requirement.

(4) Notwithstanding anything in the Negotiable Instruments Act, 1881, neither the provisions of this Act or of any rule, direction or order made thereunder, nor any condition, whether express or to be implied having regard to those provisions, that any payment shall not be made without permission under this Act, shall be deemed to prevent any instrument being a bill of exchange or promissory note.

22. False statements.

No person shall, when complying with any order or direction under section 19 or when making any application or declaration to any authority or person for any purpose under this Act, give any information or make any statement which he knows or has reasonable cause to believe to be false, or not true, in any material particular.

23. Penalty and procedure.

(l) Whoever contravenes, attempts to contravene or abets the contravention of any of the provisions of this Act or of any rule, direction or order made thereunder other than the provisions of section 3, section 3A, section 3AA, section 3B, sub-sections (2) and (3) of section 4, section 10, sub-section (1) of section 12 and clause (c) of sub-section (1) and sub-section (3) of section 20 or any rule, direction or order made thereunder shall notwithstanding anything contained in the Code of Criminal Procedure, 1898, be tried by a Tribunal constituted by Section 23A, and shall be punishable with rigorous imprisonment for a term which may extend to five years or

with fine or with both, and any such Tribunal trying any such contravention may, if it thinks fit, and in addition to any sentence which it may impose for such contravention, direct that any currency, security, gold or silver, or goods or other property in respect of which the contravention has taken place shall be confiscated.

(2) Notwithstanding anything contained in the Code of Criminal Procedure, 1898, any offense punishable under this section shall be cognizable and nonbailable.

(3) A Tribunal shall not take cognizance of any offence punishable under this section or of an offence punishable under Sections 122 and 150 of the Income Tax Ordinance, 1979 (XXXI of 1979), as applied by Section 19, except upon complaint in writing made by a person authorised by the State Bank in this behalf.

Provided that where any such offence is the contravention of any of the provisions of this Act or any rule, direction or order made thereunder which prohibits the doing of an act without permission, no such complaint shall be made unless the person accused of the offence has been given an opportunity of showing that he had such permission:

Provided further that if a person not authorized under section 3, 3A or 3AA is found involved in illegal foreign exchange business the complaint as required in this sub-section shall not be required.

(3A) A person authorized under sub-section (3) to make a complaint in writing shall, if he is not already a public servant within the meaning of section 21 of the Pakistan Penal Code (Act XLV of 1860), be deemed to be a public servant within the meaning of that section.

(3B) A Tribunal taking cognizance under sub-section (1) shall conclude the proceedings within six months. The Tribunal may, by giving cogent reason in writing, extend the said period by six months further.

(4) Where the person guilty of an offense under this Act is a company or other body corporate every director, manager, secretary and other officer thereof who is knowingly a party to the offence shall also be guilty of the same offense and liable to the same punishment.

23A. Tribunal, its powers etc.

(1) Every Sessions Judge shall, for the areas within the territorial limits of his jurisdiction, be a Tribunal for trial of an offence punishable under section 23.

(2) A Tribunal may transfer any case for trial to an Additional Sessions Judge within its jurisdiction who shall, for trying a case so transferred, be deemed to be a Tribunal constituted for the purpose.

(3) A Tribunal shall have all the powers of a Magistrate of the First Class in relation to criminal trials, and shall follow as nearly as may be the procedure provided in the Code of Criminal Procedure, 1898, for trials before such Magistrate, and shall also have powers as provided in the said Code in respect of the following matters, namely:

(a) directing the arrest of the accused;

(b) issuing search warrants;

(c) ordering the police to investigate any offence and report;

(d) authorizing detention of a person during police investigation;

(e) ordering the release of the accused on bail.

(3A) For the purposes of sub-section (3), the Code of Criminal Procedure, 1898 (Act V of 1898), shall have effect as if an offence under this Act were one of the offences referred to in sub-section (1) of section 337 of the Code.

(4) All proceedings before a Tribunal shall be deemed to be a judicial proceeding within the meaning of sections 193 and 228 of the Pakistan Penal Code, and for the purposes of section 196 thereof, and the provisions relating to the execution of orders and sentences in the Code of Criminal Procedure, 1898, shall, so far as may be, apply to orders and sentences passed by a Tribunal.

(5) As regards sentences of fine, the powers of a Tribunal shall be as extensive as those of a Court of Session.

(6) The State Bank of Pakistan or any other person aggrieved by a judgement of a Tribunal may, within three months from the date of the judgement, appeal to the High Court.

(7) Save as provided in the preceding sub-section, all judgements and orders passed by a Tribunal shall be final.

23B. Authorisation of Adjudicating officers and their powers etc.

Authorisation of Adjudicating officers and their powers etc.—(1) The Federal Government may, by notification in the official Gazette, authorise in relation to any area specified in the notification any officer of the State Bank to act as the Director of Adjudication, an Additional Director of Adjudication, a Senior Deputy Director of Adjudication, a Deputy Director of Adjudication and an Assistant Director of Adjudication (in this Act referred to as the Adjudicating Officer).

(2) Subject to such conditions and limitations as the Federal Government may impose, an Adjudicating Officer may exercise the powers and discharge the duties conferred or imposed on him by this Act and shall also be competent to exercise the powers and discharge the duties conferred upon any Adjudicating Officer subordinate to him:

Provided that, notwithstanding anything contained in this Act or the rules made thereunder, the State Bank may, by general or special order, impose such conditions or limitations on the exercise of such powers or discharge of such duties as it thinks fit.

(3) The State Bank may, by notification in the official Gazette, and subject to such limitations or conditions, if any, as may be specified therein, empower.

(a) any Senior Joint Director of Adjudication or Joint Director of Adjudication or Junior Joint Director of Adjudication or Assistant Director of Adjudication to exercise the powers of the Director of Adjudication under this Act;

(b) any Joint Director of Adjudication or Junior Joint Director of Adjudication or Assistant Director of Adjudication to exercise any of the powers of a Senior Joint Director of Adjudication under this Act;

(c) any Junior Joint Director of Adjudication or Assistant Director of Adjudication to exercise any of the powers of a Joint Director of Adjudication under this Act; and

(d) any Assistant Director of Adjudication to exercise the powers of a Junior Joint Director of Adjudication under this Act.

(4) If any person contravenes or attempts to contravene or abets the contravention of the provisions of sub-section (3) of section 4, section 10, sub-section (1) of section 12 or sub-section (3) of section 20 or any rule, direction or order made thereunder, he shall be liable to such penalty not exceeding five times the amount or value involved in such contravention or five thousand rupees, whichever is more, as may be adjudged by the Director or Additional Director of Adjudication or any other Adjudicating Officer having jurisdiction under sub-section (8) to take cognizance of such contravention, and, if he persists in such contravention, or where the contravention or default is a continuing one, to a further

penalty which may extend to two thousand rupees for every day during which the offence or, as the case may be, the contravention or default continues.

(5) Omitted.

(6) Omitted.

(7) For the purpose of this section, amount or value shall mean.

(a) in the case of foreign exchange, the Pakistan rupee equivalent of the same calculated at the rate of exchange authorised by the State Bank as on the date on which an opportunity of making a representation is given under sub-section (9) or where no such rate has been authorised, the rate determined by the State Bank on the said date;

(b) in the case of goods, their value in rupees if declared in Pakistan currency or where it is expressed in foreign exchange Pakistan rupee equivalent of the same calculated in accordance with clause (a); and

(c) in case of any right to receive foreign exchange or to receive from any person resident outside Pakistan a payment in rupees or gold or silver or security or other property of any description, the sale proceeds which, taking all circumstances into consideration, such right, gold, silver, security or other property can, in the opinion of the Adjudicating Officer, fetch on the date referred to in clause (a).

(8) For imposing a penalty under sub-section (4), the jurisdiction and powers of the Adjudicating Officers shall be as follows: -

(a) the Director of Adjudication and a Senior Joint Director of Adjudication may deal with all cases without any limit on the amount or value involved in any contravention:

(b) a Joint Director of Adjudication and a Junior Joint Director of Adjudication may deal with a case where the amount or value involved in any contravention on the date referred to in clause (a) of sub-section (7) does not exceed twenty thousand rupees; and

(c) an Assistant Director of Adjudication may deal with a case where the amount or value involved in any contravention on the date referred to in clause (a) of sub-section (7) does not exceed ten thousand rupees:

Provided that the State Bank may, by notification in the official Gazette, reduce or extend the jurisdiction and powers of any particular Adjudicating Officer or class of Adjudicating Officers.

(9) For the purpose of determining whether a person has contravened any of the provisions of sub-section (4), the Adjudicating Officer shall hold an enquiry in the manner prescribed, if any, after giving such person a reasonable opportunity for making a representation in the matter and if, on such inquiry, he is satisfied that the person has committed any contravention, he may impose the penalty provided for in this section.

(10) All doubts with regard to the jurisdiction of an Adjudicating Officer shall be referred to the Director of Adjudication and his decision thereon shall be final.

(11) The Director of Adjudication, on his own motion or on the application of any party to the adjudication proceedings and after notice to the State Bank and other parties, if any, and after hearing such of them as desire to be heard, may at any stage withdraw any adjudication proceedings pending before any Adjudicating Officer and adjudicate it either himself or transfer it to any other Adjudicating Officer subordinate to him and competent to dispose of the same or retransfer the same for adjudication to the Adjudicating Officer from whom it was withdrawn; and the Director of Adjudicating or, as the case may be, any other Adjudicating Officer or the Adjudicating Officer, or if the Adjudicating Officer who is seized of the matter as aforesaid vacates office for any reason and another person is authorised to act in his stead such person, shall not, by reason of the said withdrawal or transfer or retransfer or vacation of office, as the case may be, be bound to recall and re-hear any witness who has given evidence before the withdrawal or transfer or re-transfer or vacation of office and may act on the evidence already recorded by or produced before the Adjudicating Officer from whom the proceedings are so transferred or re-transferred or in whose stead he has been so authorised to act as Adjudicating Officer.

(12) Subject to provisions of appeal under section 23C, no Court or other authority shall call, or permit to be called, in question any proceeding or order of the Adjudicating Officer or the legality or propriety of anything done or intended to be done by the Adjudicating Officer under this Act.

23C. Appeal to Appellate Board.

(1) The Federal Government may, by notification in official Gazette, constitute as many appellate boards, each to be called the Foreign Exchange Regulation Appellate Board, as it may consider necessary, and where it establishes more than one Appellate Board, shall specify in the notification the territorial limits within which each one of them shall exercise jurisdiction.

(2) An Appellate Board shall consist of a person who is, or has been or is qualified for appointment as a Judge of a High Court or a District Judge or an Additional District Judge.

(3) Any person aggrieved by any order of the Adjudicating Officer made under sub-section (4) or sub-section (5) or sub-section (6) of section 23B may, within thirty

days of such order, prefer an appeal to the Appellate Board within whose jurisdiction the order is passed:

Provided that no appeal shall lie from an interlocutory order which does not dispose of the entire case before the Adjudicating Officer:

Provided further that the Appellate Board may entertain an appeal after the expiry of the said period of thirty days but not later than sixty days from the date of the aforesaid order if it is satisfied that the appellant was prevented by sufficient cause from filing the appeal in time.

Explanation.—For the purposes of this sub-section, the expression "any person aggrieved" shall include the Federal Government and the State Bank.

(4) No appeal shall be admitted for hearing unless the appellant deposits in cash with the Appellate Board the amount of penalty or, at the discretion of the Appellate Board, furnishes security equal in value to such amount of penalty.

(5) The Appellate Board may make such inquiry as it may consider necessary, and after giving the appellant an opportunity of being heard if he so desires, pass such order as it thinks fit, confirming, altering or annulling the order appealed against:

Provided that no order enhancing any penalty shall be passed unless the person affected thereby has been given an opportunity of showing cause against it and of being heard in person or through a counsel:

Provided further, that if the sum deposited by way of penalty under sub-section (3) exceeds the amount directed to be paid by the Appellate Board, the excess amount shall be refunded to the appellant.

(6) The decision of the Appellate Board shall be final and no court, tribunal or other authority shall call, or permit to be called, in question any proceedings or order of the Appellate Board or the legality or propriety of anything done or intended to be done by the Appellate Board under this Act.

23D. Assistance to the Adjudicating Officers.

All officers of the Federal Government or a Provincial Government, including those of Customs, Federal Investigation Agency, Police, Pakistan International Airlines, Local Authorities, Port Trust, and all officers engaged in the collection of land revenue or taxes of any description or employed by a corporation owned or controlled by the Federal Government or a Provincial Government, either directly or indirectly, are hereby empowered and required to assist the Adjudicating Officers in the discharge of their functions under this Act.

23E. Powers of Adjudicating Officer and the Appellate Board to summon witnesses, etc.

(1) Without prejudice to any other provision contained in this Act, the Adjudicating Officer and the Appellate Board shall have all the powers of a civil court under the Code of Civil Procedure, 1908 (Act V of 1908) while trying a suit, in respect of the following matters, namely:-

(a) summoning and enforcing the attendance of any person and examining him on oath;

(b) requiring the discovery and production of any document;

(c) requisitioning any public record or copy thereof from any court or office;

(d) receiving evidence on affidavits;

(e) issuing commissions for the examination of witnesses or documents;

(f) appointing guardians or next friends of persons who are minors or of unsound mind;

(g) adding legal representatives of the accused person;

(h) consolidation of cases; and

(i) enforcing any order made by him or it under this Act or the rules made thereunder.

23F. Proceedings before Adjudicating Officer to be deemed to be judicial proceedings.

All proceedings before an Adjudicating Officer or Appellate Board shall be deemed to be judicial proceedings within the meaning of sections 193 and 228 of the Pakistan Penal Code (Act XLV of 1860), and an Adjudicating Officer and the Appellate Board shall be deemed to be a Court for the purposes of sections 480 and 482 of the Code of Criminal Procedure, 1898 (Act V of 1898).

23G. Continuance of proceedings in the event of death or insolvency.

(1) Notwithstanding anything contained in any other law for the time being in force, where a penalty has been imposed under section 23B on any person and no appeal against the order imposing such penalty has been preferred, or where any such appeal has been preferred and where in either case, such person dies or is adjudicated an insolvent during the pendency of proceedings before the Adjudicating Officer or the Appellate Board or before preferring an appeal, it shall be lawful for the legal representative of such person or the official assignee or the official receiver, as the case may be, to prefer an appeal to the Appellate Board, or as the case may be, to continue the proceeding or appeal before the Adjudicating Officer or the Appellate Board and in either case any such proceedings before the Adjudicating Officer or Appellate Board shall not abate but be continued as if such person were not dead or adjudged as insolvent.

(2) The power of the official assignee or the official receiver under sub-section (1) shall be exercised by him subject to the provisions of the Insolvency (Karachi Division) Act, 1909 (III of 1909), or the Provincial Insolvency Act, 1920 (V of 1920), as the case may be.

23H. Confiscation of currency, security, etc.

Any Adjudicating Officer adjudging any contravention under section 23B may, if he thinks fit, and in addition to any penalty which he may impose for such contravention, direct that any currency, security or any other money or property in respect of which the contravention has taken place shall be confiscated to the Federal Government and further direct that the foreign exchange, if any, of the person committing the contravention or any part thereof shall be brought into Pakistan or shall be retained outside Pakistan in accordance with the directions made by the State Bank in this behalf.

Explanation.—For the purposes of this section, property in respect of which contravention has taken place shall include :

(a) deposits in a bank, where the said property is converted into such deposits;

(b) Pakistan currency, where the said property is converted into that currency; and

(c) any other property which has resulted out of conversion of that property.

23I. Correction of clerical errors, etc.

Clerical mistakes in any decision or order passed by the Appellate Board or Adjudicating Officer under this Act, or any errors arising therein from any accidental slip or omission may, at any time, be corrected by the Appellate Board or the Adjudicating Officer or his successor-in-office, as the case may be:

Provided that, where any correction proposed to be made under this section will have the result of prejudicially affecting any person, no such correction shall be made.

(i) after the expiry of two years from the date of such decision or order; and

(ii) unless the person affected thereby is given a reasonable opportunity of making a representation in the matter.

23J. Recovery of sums due to Government.

(1) Where any penalty imposed on any person under this Act is not paid:

(i) the Adjudicating Officer may deduct, or direct the deduction of, the amount so payable from any money which is owed to such person, and which may be under the custody, power or control of an Adjudicating Officer or any other person; or

(ii) the Adjudicating Officer may recover the amount so payable by detaining or selling, or ordering the detention and sale of, any goods belonging to such person which are under the custody, power or control of any Adjudicating Officer or any other person; or

(iii) in case the penalty is payable by an authorised dealer, the State Bank may, without further reference to him, recover the amount of penalty from him by debiting the account or accounts then held or held at any time thereafter with the State Bank by the authorised dealer; or

(iv) if the amount cannot be recovered from such person in the manner provided in clause (i) or clause (ii) or clause (iii), the Adjudicating Officer may prepare and sign a certificate specifying the amount due from such person and send it to the Collector of the District in which such person owns any property or resides or carries on business; and the Collector on receipt of such certificate shall proceed to recover from the said person the amount specified in the certificate as if it were an arrear of land revenue.

(2) When any bond or other instrument or security is executed pursuant to section 23C, the amount due there-under may, without prejudice to any other mode of recovery, be recovered in accordance with the provisions of sub-section (1).

(3) The several modes of recovery specified in sub-section (i) shall not effect in any way:-

(i) any other law for the time being in force relating to the recovery of debts due to the Government; or

(ii) the right of the government to institute a suit for the recovery of the penalty due to the Government; and it shall be lawful for the Government to have recourse

to any such law or suit notwithstanding that the amount is being or is to be recovered by any mode specified in the said sub-section.

(4) For the purposes of this section the expression "any other person" appearing in clauses (i) and (ii) of sub-section (1) shall include the State Bank, a banking company as defined in clause (c) of section 5 of the Banking Companies Ordinance, 1962 (LVII of 1962), a bank established by or under any Federal or Provincial law and any financial institution as defined in clause (15A) of section 2 of the Companies Ordinance, 1984 (XLVII of 1984), and such other person as the Federal Government may, by notification in the official Gazette, specify in this behalf.

23K. Powers to impose penalty, etc.- (1) Whoever contravenes, attempts to contravene or abets the contravention of any of the provisions of section 3, section 3A, section 3AA, section 3B, sub-section (2) of section 4 and clause (c) of sub-section (1) of section 20, or any order, rule, regulation or direction issued thereunder, shall be liable to a penalty to be imposed by an officer of the State Bank not below the rank of Senior Joint Director authorized by the State Bank in this behalf, upto five hundred thousand rupees for each contravention, and where the contravention is a continuing one with a further penalty which may extend to ten thousand rupees for each day during which such contravention continues:

Provided that before taking action under this sub-section a notice to show cause shall be issued by an officer of the State Bank not below the rank of Assistant Director and an opportunity of being heard shall be afforded.

(2) Where the person guilty of such contravention is a company or a body corporate, every director, manager, secretary or other officer or agent thereof shall be deemed guilty of such contravention, if the contravention was committed with his knowledge or consent or if he did not exercise due diligence to prevent the commission of the offence.

(3) If any person fails to pay the penalty imposed, under sub-section (1) within the time stipulated in the order imposing the penalty, the State Bank may, without any notice to such person, recover the amount of such penalty from the money owed to such person, and which may be under the custody of State Bank or any other person.

(4) If any other person to whom notice has been sent under sub-section (3) fails to deduct the amount of penalty under the said sub-section, such person shall be liable to pay the amount of penalty to the State Bank, as if such person had committed the contravention.

(5) Any person aggrieved by an order passed and penalty imposed under this section may, within thirty days of the order, prefer appeal to the Deputy Governor, State Bank to be designated by the Governor, State Bank who shall decide the appeal within ninety days. Any order passed by the Deputy Governor shall be final.

24. Burden of proof in Certain Cases.

(1) Where any person is tried for contravening any provision of this Act or of any rule, direction or order made thereunder which prohibits him from doing an act without permission, the burden of proving that he had the requisite permission shall be on him.

(2) If in a case in which the proof of complicity of a person resident in Pakistan with a person outside Pakistan is essential to prove an offence under this Act, then after proof of the circumstances otherwise sufficient to establish the commission of the offence, it shall be presumed that there was such complicity, and the burden of proving that there was no such complicity shall be on the person accused of the offence.

(3) Where the person accused of having made any payment in contravention of clause (c) of sub-section (1) of Section 5 is proved to have received from any person outside Pakistan a message which raises a reasonable suspicion that it relates to certain payment to be made, the Tribunal may in the absence of proof to the contrary by the accused person presume that he had made such payment in pursuance of such message.

(4) If, after the issue of a notification under clause (a) of section 9, any person is found to be in possession of, or to have under his control, any foreign exchange specified in the notification, in circumstances which tend to raise a reasonable suspicion that he has contravened the notification, he shall be presumed to have contravened the notification unless he can, by proving the time when and the manner in which the foreign exchange came into his possession or under his control, show that he had not in fact contravened the notification.

25. Power to Federal Government to give directions.

For the purposes of this Act the Federal Government may from time to time give to the State Bank such general or special directions as it thinks fit, and the State Bank shall, in the exercise of its functions under this Act, comply with any such directions.

26. Bar of legal proceedings.

No suit, prosecution or any other proceeding shall lie against the Federal Government or the State Bank or any officer of the Federal Government or of the State Bank or any other person exercising any power or discharging any functions or performing any duties under this Act, for anything in good faith done or intended to be done or purported to be done under this Act or any rule, direction or order made thereunder.

27. Power to make rules.

The Federal Government may, by notification in the official Gazette, make rules for carrying into effect the provisions of this Act.

APPENDIX II

Notifications issued by the Federal Government under Foreign Exchange Regulation Act, 1947.

(VII of 1947)

1. Appendix II-1
2. Appendix II-2
3. Appendix II-3
4. Appendix II-4
5. Appendix II-5
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9. Appendix II-9

APPENDIX II-1

NOTIFICATION NO.I(2)-ECS/48, DATED THE 1ST JULY, 1948.

(AS AMENDED UP TO 5TH NOVEMBER, 1949).

Import of Gold and Silver.

In exercise of the powers conferred by sub-section (1) of section 8 of the Foreign Exchange Regulation Act, 1947 (VII of 1947) and in supersession of the Notification of the Government of India in the Finance Department No. 12(11)-F1/47 dated the 25th March, 1947, the Central Government is pleased to direct that except with the general or special permission of the State Bank of Pakistan, no person shall bring or send into the Provinces of Pakistan from any place outside Pakistan:

(a) any gold coin, gold bullion, gold sheets or gold ingot whether refined or not;

(b) any silver bullion, any silver sheets or plates which have under gone no process of manufacture subsequent to rolling, or any uncurrent silver coin;

(c) any coin which is legal tender in India.

APPENDIX II – 2

NOTIFICATION NO.I(6)-ECS/48, DATED THE 1ST JULY, 1948.

(AS AMENDED UPTO29TH JUNE, 1980)

Export Control.

In exercise of the powers conferred by sub-section (1) of section 12 of the Foreign Exchange Regulation Act, 1947 (VII of 1947), the Central Government is pleased to prohibit the export otherwise than by post of any goods either directly or indirectly to any place outside Pakistan other than any of the countries or territories in the Schedule appended hereto unless a declaration is furnished by the exporter, in a manner prescribed in this behalf by the State Bank of Pakistan, to the Collector of Customs or to such other person as the State Bank of Pakistan may specify, that an amount representing the full export value of the goods has been or will be disposed of in a manner and within a period specified by the State Bank of Pakistan.

Provided that this prohibition shall not apply to the export of:

1. Bonafide trade samples;
2. Personal effects, whether accompanied or unaccompanied, of travelers ;
3. Ships stores and transshipment cargo;
4. Goods shipped under the order of the Central Government or of such officers as may be appointed by the Central Government in this behalf or of the Military, Naval or Air Force authorities in Pakistan for Military, Naval, or Air Force requirements;
5. Goods included in Open General Licence No.7 published with the late Ministry of Commerce and Education (Commerce Division) Notification No.335/460/42, dated 22nd October, 1952, as modified from time to time, or such other Export Open General Licence as may be in force for the time being, and exported to Iran by land;
6. Gift packets where they are accompanied by a declaration by the sender that the contents of the packet are less than Rs.500/- in value and that the dispatch of the packet does not involve any transaction in foreign exchange; and
7. Goods processed or manufactured or processed and manufactured in and exported from Export Processing Zones established under the Export Processing Zones Authority Ordinance, 1980 (IV of 1980).

SCHEDULE

(1) Afghanistan.

APPENDIX II –3

NOTIFICATION NO.I(7)-ECS/48, DATED THE 1ST JULY, 1948.

(AS AMENDED UPTO 29TH JUNE, 1980).

Export by post.

In exercise of the powers conferred by sub-section (1) of section 12 of the Foreign Exchange Regulation Act, 1947 (VII of 1947), the Central Government is pleased to prohibit the export by post of any goods either directly or indirectly to any place outside Pakistan other than any of the countries or territories in the Schedule appended hereto unless a declaration, in a form prescribed by the State Bank of Pakistan, for the purpose, is furnished by the exporter to the Postal

Authorities at the time of dispatch that an amount representing the full export value of the goods has been or will be disposed of in a manner and within a period specified by the State Bank of Pakistan.

Provided that this prohibition shall not apply:

1. Where the postal packet is covered by a certificate issued by the State Bank of Pakistan or by an authorised dealer that the export of the parcel does not involve any transaction in foreign exchange;

2. Where the postal packet is accompanied by a declaration by the sender that the contents of the parcel are less than Rs.500/- in value and that the dispatch of the parcel does not involve any transaction in foreign exchange; and

3. Where the parcels are dispatched either under the orders of the Central Government or of the Military, Naval or Air Force authorities in Pakistan accompanied by a certificate to the effect that the parcel does not involve any transaction in foreign exchange, signed by a Gazetted Officer or by any person entitled to use service postage stamps, which should be pasted on the outer cover of the parcel;

4. Where the postal packet or parcel consists of goods included in Open General LicenceNo.7, published with the late Ministry of Commerce and Education (Commerce Division) Notification No.335/460/42 dated 22nd October, 1952 as modified from time to time, or such other Export Open General Licence as may be in force for the time being, and exported to Iran by land; and

5. Goods processed or manufactured or processed and manufactured in and exported from Export Processing Zones established under the Export Processing Zones Authority Ordinance, 1980 (IV of 1980).

SCHEDULE

(1) Afghanistan.

APPENDIX II -4

NOTIFICATION NO.F.I (I)-EF/49 DATED THE 9TH APRIL, 1949

Issue of bearer security or coupon.

In exercise of the powers conferred by Section 15 of the Foreign Exchange Regulation Act, 1947 (VII of 1947), the Central Government is pleased to order that, except with the general or special permission of the State Bank of Pakistan, no person shall, in the Provinces of Pakistan, issue any bearer security or coupon, or so alter any document that it becomes a bearer security or coupon.

APPENDIX II –5

NOTIFICATION NO.F.I (8)-EF/49 DATED THE 2ND MAY, 1949

Import of currency notes.

In exercise of the powers conferred by sub-section (1) of Section 8 of the Foreign Exchange Regulation Act, 1947 (VII of 1947), the Central Government, in supersession of this Ministry's Notification No.1(3)-ECS/48 dated the 1st July, 1948 is pleased to order that, except with the general or special permission of the State Bank of Pakistan no person shall bring or send into the Provinces of Pakistan from any place outside Pakistan any currency notes or Bank notes, whether un-issued or in circulation.

APPENDIX II – 6

NOTIFICATION NO.3(2)-5-EF/52 DATED THE 18TH JULY, 1952
(AS AMENDED UPTO 5TH MARCH, 1981)
Foreign Exchange Rules, 1952.

In exercise of the powers conferred by Section 27 of the Foreign Exchange Regulation Act, 1947, the Central Government is pleased to make the following rules: -

1. **Short Title and Commencement:** - (1) These rules may be called the Foreign Exchange Rules 1952.(2) They shall come into force at once.

2. **Interpretation:** - In these rules unless there is anything repugnant in the subject or context: -

(a) "the Act" means the Foreign Exchange Regulation Act, 1947;

(b) all other words and expressions shall be assigned the meaning as in the Act.

3. In the case of export of goods or class of goods specified in the notifications issued under Section 12(1) of the Act,

(1) the authority to whom the declaration has to be submitted by the exporter shall be the Collector of Customs or such other person as the State Bank may from time to time by notification in the official Gazette specify for this purpose;

(2) the period within which the amount representing the full export value of goods will have to be paid, shall be the period specified from time to time by the State Bank for this purpose generally or otherwise by notification in the official Gazette with reference to any country or countries;

(3) the manner in which the amount representing the full export value of the goods will have to be paid, shall be the manner specified from time to time by the State Bank for this purpose generally or otherwise by the notification in the official Gazette with reference to any country or countries.

4. All powers vested in the State Bank under the Act shall be exercised and all functions entrusted to the State Bank under the Act shall be performed in the name of the Bank by such officers of the State Bank as may be notified from time to time by the State Bank in the official Gazette with reference to such officers' names or designations.

5. Any order, direction, communication issued by the State Bank in exercise of the powers vested under the Act shall be deemed to have been properly issued, communicated to, or served on the person or persons concerned,—

(i) if it is sent to the address known to the State Bank of such person or persons by registered post with acknowledgement due, or

(ii) if it is published in any two prominent daily newspapers including one in Urdu and one in English circulating in the area within Pakistan in which such person or persons reside or carry on business, or

(iii) if it is personally tendered to such person or persons for acceptance, whether accepted or refused and an endorsement or statement of the tendering employee of the Bank as to the acceptance or refusal shall be sufficient proof of such acceptance or refusal.

APPENDIX II – 7

NOTIFICATION NO.I(I)-2-EF/56 DATED 1ST AUGUST, 1956

(AS AMENDED UPTO 15th September 1992)

Declaration of Securities.

In exercise of the powers conferred by sub-section (1) of Section 19 of the Foreign Exchange Regulation Act, 1947 (VII of 1947) and in supersession of this Ministry's Notification No.1(5)-ECS/48, dated the 1st July, 1948 the Central Government is pleased to direct that all persons resident in Pakistan who are or who may hereafter become the owners of any securities in respect of which the principal, interest or dividends is or are payable in the currency of any foreign country or in respect of which the owner has the option to require the payment of principal, interest or dividends in such currency shall by the 31st December, 1956 or in the case of a person hereafter becoming such owner, within one month of the date of his so becoming make a return to the State Bank of Pakistan in the form prescribed in this behalf by the State Bank of Pakistan giving the following particulars with respect of such securities namely;

(a) the full name and address of the owner by whom or on whose behalf the return is made;

(b) a description of the security in full, including particulars as to whether it is a bearer bond, registered or inscribed stock etc;

(c) the nominal amount of the security;

(d) whether the security is free or encumbered and if the latter, full details of the nature of the encumbrance including the amount of loans or advances, if any, which have been taken against the security and the currency in which the names and addresses of the persons from whom they have been taken;

(e) the place in which and the name of the person with whom the security is deposited;

(f) the full name and address of the person for whose account the security is held (in case a person other than the owner is making the return).

Provided that this notification shall not apply to—

(i) persons, not being citizens of Pakistan, who have obtained the permission of the State Bank of Pakistan in this behalf; and

(ii) the holders of Foreign Exchange Bearer Certificates issued to them under the Foreign Exchange Bearer Certificate Rules, 1985, the holders of U.S. Dollar Bearer Certificates issued under the U.S. Dollar Bearer Certificates Rules, 1991, and the holders of Five Years Foreign Currency Bearer Certificates issued under Five Years Foreign Currency Bearer Certificates Rules 1992.

APPENDIX II - 8

NOTIFICATION NO.S.R.O.359 (1)/88

DATED THE 15TH MAY, 1988

In exercise of the powers conferred by section 27 of the Foreign Exchange Regulation Act, 1947 (VII of 1947), the Federal Government is pleased to make the following rules to govern the

procedure to be followed in respect of adjudication and appeal proceedings under the said Act, namely: -

1. Short title and commencement. —(1) These rules may be called the Adjudication Proceedings and Appeal Rules, 1988.

(2) They shall come into force at once.

2. Definitions.—In these rules, unless there is anything repugnant in the subject or context,-

(a) "Act" means the Foreign Exchange Regulation Act, 1947 (VII of 1947);

(b) "Adjudicating Officer" means the Adjudicating Officer referred to in section 23B;

(c) "section" means a section of the Act; and

(d) all other words and expressions used but not defined in these rules shall have the meaning assigned to them in the Act.

3. Commencement of adjudication proceedings.—(1) If any person, save as provided in sub-section (5) and (6) of section 23B, contravenes, or attempts to contravene or abets the contravention of the provisions of sub-sections (2), (3) and (5) of section 3, sub-section (3) of section 4, section 10, sub-section (1) of section 12 or sub-section (3) of section 20 or any rule, direction or order made thereunder, a complaint in this regard may be made to an Adjudicating Officer.

(2) A complaint under sub-rule (1), may be sent to, or filed before, the Adjudicating Officer having jurisdiction in the matter in terms of sub-sections (7) and (8) of section 23B, sub-sections (1), (2) and (3) of that section.

4. Procedure in adjudication proceedings.—(1) For holding an enquiry for the purpose of determining whether a person has contravened any of the provisions of sub-section (4), (5) or (6) of section 23B, the Adjudicating Officer shall serve a notice on such person requiring him to show cause, within fifteen days of the date of the service of the notice on him, why the penalty proposed in the notice should not be imposed on him;

Provided that the said period of fifteen days may, upon sufficient cause being shown in an application in writing made by such person, be extended by the Adjudicating Officer so as not to exceed two months from the date of the service of the notice.

(2) Every notice under sub-rule (1) shall contain brief facts of the case, indicate the nature or substance of the contravention or offence alleged to have been committed by him and the evidence on the basis of which the contravention or the offence is alleged to have been

committed.

(3) The notice under sub-rule (1) shall be issued at the last known address of the person and proof of service shall be kept on record.

(4) The person to whom notice under sub-rule (1) is issued shall invariably be asked to submit his explanation in writing and whether, additionally, he desires to be heard in person or through a duly authorised representative or an advocate.

(5) If after considering the cause, if any, shown by a person in his reply in writing to a notice under sub-rule (1), no case is made out, the notice shall be vacated by the Adjudicating Officer by an order in writing. But, if the Adjudicating Officer is of the opinion that adjudication proceedings be continued, he shall issue a notice fixing a date for appearance of that person either personally or through a counsel or any other authorised representative.

(6) On the date fixed under sub-rule (5) the Adjudicating Officer shall explain to the person proceeded against, or his counsel or representative, the contravention or the offence alleged to have been committed by such person indicating the provision of the Act or the rules, directions or orders made thereunder in respect of which the contravention is alleged to have taken place. If such person pleads guilty the Adjudicating Officer shall impose penalty authorised under the Act.

(7) In the event the person proceeded against does not plead guilty under sub-rule (6), the proceedings under sub-rule (6) shall be summarized in an appropriate order by the Adjudicating Officer, a copy of which shall be made available to such person, and shall frame the charge relating to the contravention or offence alleged against him.

(8) The Adjudicating Officer shall, after framing the charge under sub-rule (7) give opportunity to such person to produce such documents or evidence as he may consider relevant to the inquiry and in respect whereof submits list of documents and witnesses forthwith and, if necessary, the hearing may be adjourned to a future date for production or the oral and documentary evidence, but thereafter the hearing shall proceed, as far as may be possible, from day to day.

(9) On the adjourned date, to which the adjudication proceedings are adjourned, the Adjudicating Officer shall take such evidence as is found relevant. If evidence and documents are not produced on the date fixed, the evidence may be closed and only that may be considered as is duly produced.

(10) If any person fails, neglects or refuses to appear before the Adjudicating Officer, as required under the Act or these rules, the Adjudicating Officer may proceed with the inquiry and proceedings in the absence of such person, after recording reasons for doing so, and may, if deemed necessary, proceed to give *ex-parte* decision in the light of the available material before him.

(11) If upon consideration of the evidence produced before the Adjudicating Officer and having given hearing, he is satisfied that the person proceeded against-

(a) has not committed the contravention or the offence alleged, the notice shall be vacated and the person discharged; and

(b) has committed the contravention or the offence alleged the Adjudication Officer may, by order in writing, impose upon him such penalty as he thinks fit in accordance with the provisions of sub-sections (4), (5) and (6) of section 23B.

(12) Personal appearance, at any stage of the inquiry or the proceedings, referred to in the above sub-rules, may, on the request in writing of the person concerned, be waived or dispensed with, provided reasonable cause is shown in that behalf and such person is duly represented by a counsel or by an authorised representative.

5. Contents of the order of the Adjudication Officer.—(1) Every order made under sub-rule (10) or (11) of rule 4 shall specify the provisions of the Act or of the rules, directions or orders made thereunder in respect of which contravention has been alleged to have taken place and shall contain brief reasons for such decision, *inter-alia*, on the patron to be followed as nearly as possible as under:-

(i) summary of the facts and the nature of offence committed;

(ii) points for determination;

(iii) conclusions on each point giving reasons in the light of the explanation and evidence on the record; and

(iv) the order

(2) Every such order shall be dated and signed by the Adjudicating Officer.

6. Copy of the order.—(1) A certified copy of the final order, passed in the adjudication proceedings shall be supplied, free of charge, to the person against whom the order is made and all other copies of proceedings shall be supplied to him on application and payment of copy fee calculated according to the scale prevailing in the High Court of the province in which the office of the Adjudicating Officer is situated. A copy of the order shall also be sent to State Bank and to the Federal Government. The Federal Government and State Bank may also apply for and shall be given copies of all proceedings which shall, however, be without charge or fee.

(2) The copying fee referred to in sub-rule (1) shall be paid in cash to the Adjudicating Officer or paid in any bank, treasury or account as he may direct.

7. Procedure for filing appeal.—(1) An appeal to the Appellate Board may be presented to it or to any person authorised by it in this behalf during office hours either by the appellant personally or through his authorised representative or advocate.

(2) Every memorandum of appeal shall-
(a) be in the form appended to these rules;

(b) be accompanied by the certified copy of the order appealed against;

(c) be accompanied by two spare copies of the memorandum of appeal and as many other copies thereof, duly signed by the appellant or his authorised representative or advocate, as there are respondents; and

(d) set forth concisely, and under distinct heads, the statement of case and the grounds of appeal numbered consecutively without any arguments or narrative.

(3) The Director of Adjudication in all appeals before the Appellate Board, shall additionally be the Respondent.

8. Procedure before Appellate Board.—(1) Subject to compliance with sub-section (4) of section 23C of the Act, when applicable, on receipt of an appeal under rule 7, the Appellate Board shall send a copy of the memorandum of appeal, with annexures thereto, together with a copy of the order appealed against, to each respondent and to the Director of Adjudication.

(2) The Appellate Board or any person authorised by it in this behalf shall issue notices to the appellant, the respondents and the Director of Adjudication fixing a date for the hearing of the appeal.

(3) On the date fixed for the hearing of the appeal, or any other day to which the hearing of the appeal may be adjourned, the appellant as well as the respondents or representatives thereof and the Director of Adjudication, shall appear and continue to appear on all adjourned dates.

(4) Where on the date fixed, or any other day to which the hearing of the appeal may be or is adjourned, the appellant and/or respondents or any of them fails to appear when the appeal is called on for hearing, the Appellate Board may decide the appeal on the basis of hearing the parties present, and in the absence of all of them, on the basis of record of the case.

(5) The Appellate Board may make such inquiry, as it may consider necessary, and after given the appellant an opportunity of being heard, if he so desires, pass such order as it thinks fit, confirming, altering or annulling the order appealed against or remand the case with such directions as it may give in this behalf:

Provided that no order enhancing any penalty shall be passed unless the person affected thereby has been given an opportunity of showing cause against it and being heard in person or through a counsel:

Provided further, that if the sum deposited by way of penalty exceeds the amount directed to be paid by the Appellate Board, the excess amount shall be refunded to the appellant.

9. Contents of the order in appeal.—(1) The order of the Appellate Board shall be in writing and shall contain a narrative of facts and state full reasons for its decision on each ground of appeal.

(2) The order referred to in sub-rule (1) shall be dated, signed and sealed by the Appellate Board and a copy thereof shall be supplied, free of any charge or fee, to the parties, the Federal

Government, the State Bank and the Director of Adjudication.

10. Representation of party.— Any person who has been proceeded against under section 23B, or any other section of the Act, or who has filed an appeal before the Appellate Board under section 23C, may appoint a pleader, advocate, or any other person, duly authorised by him, to appear and plead and act on his behalf before the Adjudicating Officer or the Appellate Board in any inquiry or appeal under the Act.

11. Service of notices and orders.—A notice or an order issued under these rules shall be served on any person in the following manner, that is to say.--

(a) the notice, issued by the Adjudicating Officer under sub-rule (1) of rule 4, shall be in writing in duplicate, signed and sealed by him. Such notice may be served in such manner as may appear expeditions or convenient, *inter alia,-*

(i) the notice shall, if practicable, be served personally by any person deputed by the Adjudicating Officer, by delivering or tendering to the person concerned one of the duplicates. Simultaneously, another copy of the notice, in the same manner signed and sealed may also be sent by registered post, acknowledgement due or courier service;

(ii) every person on whom the notice is served shall, as the case may be, sign a receipt on the back of the duplicate when personally served, and in the case of service by post or courier, on their respective receipts;

(iii) refusal to accept in every case, shall be deemed to be proof of service of notice;

(b) at the request of the complainant or the accused, they may be allowed to serve summons on their own or respective witnesses or produce the witnesses whose list shall be supplied within such time as the Adjudicating Officer may allow;

(c) the service of a notice on an incorporated company or other body corporate may be effected by serving it on the secretary, local manager or other principal officer of the corporation or by registered post or by courier, addressed to the chief officer of the corporation. In such case, the service shall be deemed to have been effected when the notice would arrive in ordinary course of post or through the courier;

(d) where the person to be served is in the active service of the State or of a statutory body or a company the notice shall ordinary be sent in duplicate to the head of the office in which such person is employed, and such head shall thereupon cause the notice to be served and shall return the duplicate under his signature with the endorsement of receipt of the notice for the person named therein. Such signature shall be evidence of due service;

(e) where the person cannot, by the exercise of due diligence, be found, he may be served by leaving one of the duplicates for him with some adult/male of his family or household or his servant and the person with whom the notice, is so left shall sign a receipt therefore on the back of the duplicate;

(f) if service in the manner mentioned by the foregoing procedure cannot by the exercise of due diligence be effected, the serving person, when so authorised by the Adjudicating Officer, shall affix one of the duplicates of the notice to some conspicuous part of the house or homestead in which the person ordinarily or last resided or the service may be ordered by any mode of substituted service, including publication in a newspaper and thereupon the notice shall be deemed to have been duly served;

(g) when the Adjudicating Officer desires that notice issued by him shall be served at any place outside the local limits of his jurisdiction, it shall ordinarily be sent in duplicate by post or courier service as provided in clause (a); and

(h) if a person, of his own accord and without service of notice, either personally or through a representative or counsel appears in the proceeding before an Adjudicating Officer, he shall be deemed to have been served with the notice and shall be given a copy of the show cause notice.

APPENDIX II - 8
FORM

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[See rule 7 (2) (a)]

BEFORE THE FOREIGN EXCHANGE REGULATION
APPELLATE BOARD AT KARACHI

(Appellate Jurisdiction under section 23C of the Foreign Exchange Regulation Act, 1947)
Full name and Address of the Appellant…… Versus
Appellant Full name(s) and Address(es) of ……

Respondent(s) Respondent

1. The name and address of the Adjudicating Officer who passed the Impugned Order (Copy Annexed)

2. (a) Amount of Penalty or Fine:

(b) Any other order impugned

3. Sections of the Foreign Exchange Regulation Act, 1947 or the Rules, Directions Order in regard to which contravention or offence is alleged

4. Date & Reference of Show Cause Notice and its Reply (Copy Annexed)

5. Date of communication of the order appealed against

6. Address to which notices may be sent to the Appellant

7. Address to which notices may be sent to the Respondent(s)

8. Prayer in Appeal

9. Statement of the Case

10. Grounds of Appeal

Signature of the Appellant

or his Representative

VERIFICATION

I,_____son of_____on the appellant/ authorised representative of the Appellant state that what is stated above is true to the best of my information and belief.

Verified this the day of 20

(APPE LLANT / APPE LLANT 'S AUT HO R ISE D R E PR E SE NTAT IVE)

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APPENDIX II – 9

NOTIFICATION S.R.O. NO. 984(I)/2003 DATED THE 11TH OCTOBER, 2003

In exercise of the powers conferred by section 9 of the Foreign Exchange Regulation Act, 1947 (VII of 1947), the Federal Government is pleased to rescind its Notification No. S.R.O. 1016(I)/79 dated the 17th October, 1979 with immediate effect.

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APPENDIX III
Notifications issued by the State Bank of Pakistan under Foreign Exchange Regulation Act, 1947. (VII of 1947)

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APPENDIX III - 1
NOTIFICATION NO. F.E. 21/48-SB
DATED THE 1ST JULY, 1948

Export of jewellery to Acceding States.

In pursuance of sub-section (2) of Section 8 of the Foreign Exchange Regulation Act, 1947, (VII of 1947), the State Bank of Pakistan is pleased to permit any person to take or send out of the Provinces of Pakistan precious stones or jewellery to States which have acceded or accede to Pakistan without limit.

APPENDIX III - 2
NOTIFICATION NO. F.E. 28/49-SB
DATED THE 14TH MAY, 1949.

Import of gold and silver in transit.

In pursuance of the Notification of the Government of Pakistan in the Ministry of Finance No.1(2)-ECS-48 dated the 1st July, 1948 (restricting the bringing or sending into the Provinces of Pakistan of gold and silver) and in supersession of the Notification of the State Bank of Pakistan No. F.E. 10/48-SB dated the 1st July, 1948, the State Bank of Pakistan is hereby pleased to give general permission to the bringing or sending of any such gold or silver as is specified in the Government notification referred to, by sea or air into any port in the Provinces of Pakistan, provided the gold or silver is on through transit to a place outside Pakistan and is not removed from the carrying ship or aircraft except for the purpose of transshipment.

APPENDIX III - 3
NOTIFICATION NO. F.E. 30/49-SB
DATED THE 5TH NOVEMBER, 1949.

Import of India Coin.

In pursuance of the Notification of the Government of Pakistan No. 1(2)-ECS/48 dated the 1st July, 1948, as amended by Notification of the Government of Pakistan No. 1(14) EF/49 dated the 5th November, 1949, the State Bank of Pakistan is pleased to permit any person to bring into the Provinces or the Capital of the Federation from any place outside Pakistan any coin which is legal tender in India not exceeding in all rupees five in value at any one time.

APPENDIX III - 4
NOTIFICATION NO.F.E. 56/53-SB
DATED THE 7TH MAY, 1953

In pursuance of sub-section (1) of Section 4 of the Foreign Exchange Regulation Act, 1947 (VII of 1947), and in supersession of the State Bank of Pakistan Notification No. F.E. 15/48-SB dated the Ist July, 1948, the State Bank of Pakistan is pleased to direct that the prohibition imposed by that sub-section shall not apply to the operation on an account expressed in a foreign currency held in accordance with para 2 of the Government of Pakistan, Ministry of Finance, Notification No. 3(2)4-EF/52 dated the 14th June, 1952, by a foreign national who is, or is resident, in any Province of Pakistan but is not domiciled in Pakistan.

NOTIFICATION NO.F.E. 57/53-SB
DATED THE 7TH MAY, 1953

Payment to the Non-residents.

In pursuance of sub-section (1) of Section 5 of the Foreign Exchange Regulation Act, 1947 (VII of 1947), and in supersession

of the State Bank of Pakistan Notification No. F.E. 16/48-SB dated the Ist July, 1948 the State Bank of Pakistan is pleased to direct that the prohibition imposed by clause (a) of that sub-section shall not apply to the making of a payment to or for the credit of a person resident outside Pakistan out of funds held in an account maintained in accordance with the provisions of the Notification of the State Bank of Pakistan No. F.E. 56/53-SB dated the 7th May, 1953.

APPENDIX III - 5
NOTIFICATION NO. F.E. 71/58-SB
DATED THE 22ND MAY, 1958

In exercise of the powers conferred upon it by the Foreign Exchange Regulation Act, 1947 and all other powers in this behalf the State Bank of Pakistan is pleased to order that the following notifications of the Reserve Bank of India that is to say Notifications: -

No. FER A/22/47-RB dated the 8th July, 1947.
No. FER A/23/47-RB dated the 8th July, 1947.
No. FER A/24/47-RB dated the 8th July, 1947 and
No. FER A/36/47-RB dated the 4th November, 1947

shall hereby be cancelled and be deemed to have been cancelled with effect from the 1st July, 1948.

APPENDIX III - 6
NOTIFICATION NO. F.E. 72/59-SB
DATED THE 21ST JANUARY, 1959

Export of Jewellery.

In exercise of the powers conferred by sub-section (2) of Section 8 of the Foreign Exchange Regulation Act, 1947 (VII of 1947) and in supersession of its Notification No.FE/20/48-SB dated the 1st July, 1948 the State Bank of Pakistan is pleased to permit any person to export out of Pakistan precious stones or jewellery other than articles made wholly or mainly of gold, to any country without limit provided the packet containing the precious stones or jewellery is dispatched in the manner prescribed in the Government of Pakistan Ministry of Finance Notification No.1(6)-ECS/48 dated the 1st July, 1948 and No.1(7)-ECS/48 dated the 1st July, 1948.

APPENDIX III - 7
NOTIFICATION NO. F.E. 73/59-SB
DATED THE 25TH FEBRUARY, 1959

In pursuance of the Central Government Notification No.1(8) EF/58 dated the 20th August, 1958 and in supersession of the State Bank of Pakistan Notification No.F.E.52/52-SB dated the 18th September, 1952 the State Bank of Pakistan is pleased to authorise all dealers for the time being authorised by the State Bank of Pakistan to under take foreign exchange business, to purchase foreign exchange for the purpose of the said Notification.

APPENDIX III - 8
NOTIFICATION NO. F.E. 74/59-SB

DATED THE 25TH FEBRUARY, 1959

In pursuance of sub-section 1 of Section 4 of the Foreign Exchange Regulation Act, 1947 (VII of 1947) and in supersession of the State Bank of Pakistan Notification No.F.E.56/53-SB dated the 7th May, 1953 the State Bank of Pakistan is pleased to direct that the prohibitions imposed by that sub-section shall not apply to the operation on an account expressed in a foreign currency held in accordance with para 2 of the Government of Pakistan, Ministry of Finance Notification S.R.O. No. 1016 (I)/79 dated the 17th October, 1979, by a foreign national who is, or is resident, in any Province of Pakistan but is not domiciled in Pakistan.

APPENDIX III - 9
NOTIFICATION NO.F.E. 1/63-SB
DATED THE 14TH OCTOBER, 1963.

In pursuance of clause (a) of sub-section (1) of Section 20 of the Foreign Exchange Regulation Act, 1947 (VII of 1947), and in partial modification of the State Bank of Pakistan Notification No.F.E.13/48-SB dated the 1st July, 1948, the State Bank of Pakistan is pleased to direct that a person, other than a person holding any office in the service of Pakistan and residing outside Pakistan for the time being either on duty or on leave, being domiciled in, or a national of Pakistan, who is for the time being resident outside Pakistan, shall, unless otherwise authorized or exempted under the said Act, be treated, for purposes of section 5 of the said Act, as a person resident outside Pakistan, for so long as he is so resident.

APPENDIX III - 10
NOTIFICATION NO.F.E.1/92/SB
DATED THE 30TH JULY, 1992

In exercise of the powers conferred by section 13 of the Foreign Exchange Regulation Act, 1947 (Act No. VII of 1947), and in supersession of State Bank of Pakistan Notification No. FE.5/91-SB dated the 16th July, 1991 the State Bank of Pakistan is pleased to give general permission for the doing of the various acts referred to in the said section in respect of Foreign Exchange Bearer Certificates issued under the Foreign Exchange Bearer Certificates Rules, 1985, the U.S. Dollar Bearer Certificates issued under the U.S. Dollar Bearer Certificates Rules, 1991 and Five Years Foreign Currency Bearer Certificates issued under the Five Years Foreign Currency Bearer Certificates Rules, 1992.

APPENDIX III - 11
NOTIFICATION NO.F.E.3/85-SB
DATED THE 15TH AUGUST, 1985.

Export of precious stones & jewellery.

In pursuance of Sub-Section (2) of Section 8 of the Foreign Exchange Regulation Act, 1947 (VII of 1947), and in supersession of the State Bank of Pakistan Notification No.F.E.2/64-SB, dated the 2nd May, 1964, the State Bank of Pakistan is pleased to permit with effect on and from the 15th day of August, 1985 any person

to take at any one time out of Pakistan precious stones or jewellery other than articles made wholly or mainly of gold to the countries specified in the first column of the schedule appended hereto to the extent indicated in the corresponding entries in the second column thereof:

2. Provided that any person other than a person domiciled in Pakistan or India who is returning to his/her own country may take with him/her any precious stones or jewellery brought by him/her into Pakistan without limit if the same had been declared to the Customs Authorities on the prescribed form at the time of his/her arrival in Pakistan and precious stones and jewellery, other than articles made wholly or mainly of gold purchased in Pakistan upto a further Rs.10,000/- in value.

SCHEDULE

I	**II**
(a) India.	Nil
(b) Afghanistan, Bangladesh and Iran.	Upto Rs.1,000.00 in value.
(c) Any other country or place not mentioned in (b) above.	Upto Rs.2,000.00 in value.

APPENDIX III - 12
NOTIFICATION NO.FE.4/91-SB
DATED THE 26TH FEBRUARY, 1991

In exercise of the powers conferred by sub-section (2) of section 8 of the Foreign Exchange Regulation Act, 1947 (Act No. VII of 1947) and in supersession of State Bank of Pakistan Notification No.FE.4/71-SB dated the 9th December, 1971, the State Bank of Pakistan is pleased to notify that persons taking out of Pakistan jewellery and precious stones under general permission given by the State Bank in this behalf shall, before leaving Pakistan, make a declaration to the Customs Authorities on Form 'CD' appended to this Notification.

FORM 'CD'
Declaration Form to be completed by Persons Leaving Pakistan

(Prescribed under Section 8(2) of the Foreign Exchange Regulation Act, 1947 vide Notification No.FE.4/91-SB dated 26-2-1991).

I (Name in block letters)_____ hereby declare that at the time of leaving Pakistan, I am in possession of the following jewellery and precious stones:

	Description	Approximate Value
1	.....	.....
2	.....	.....
3	.....	.....
4	.....	.....
Passport No.	.....	
Date & Place of Issue	.....	
Nationality	.....	
Address in Pakistan	.....	

I declare that the information furnished by me above is correct and in the event of its being not correct, I hold myself liable for such action as may be deemed fit under the Foreign Exchange Regulation Act, 1947.

APPENDIX III - 13
NOTIFICATION NO.F.E.4/92-SB
DATED THE 28TH DECEMBER, 1992

Export of Currency Notes.

In pursuance of Sub-Section (2) of Section 8 of the Foreign Exchange Regulation Act, 1947 (Act No. VII of 1947) and in supersession of State Bank of Pakistan Notification No.FE.2/91-SB

dated the 26th February, 1991, as amended vide Notification No.FE.2/92-SB dated the 10th November, 1992, the State Bank of Pakistan is pleased to permit as follows: -

(1) Any person may take out from Pakistan to any country other than India, currency notes of the Government of Pakistan and State Bank of Pakistan notes not exceeding in all Rs.3,000.00 (Rupees three thousand only) in value at any one time.

(2) Any person may take out from Pakistan to India currency notes of the Government of Pakistan and State Bank of Pakistan notes not exceeding in all Rs. 500.00 (Rupees five hundred only) in value at any one time.

(3) Any person may take out from Pakistan to Afghanistan, notes and coins which are the currency of Afghanistan without limit.

(4) Currency which has been brought into Pakistan in the safes of vessels or aircraft or which has been taken on board a vessel or aircraft with the permission of the State Bank of Pakistan may be taken out of Pakistan.

APPENDIX III - 14
NOTIFICATION NO.F.E.5/92-SB
DATED THE 28TH DECEMBER, 1992

Import of Currency Notes.

In pursuance of Government of Pakistan Notification No.F.1 (8)-EF/49 dated the 2nd May, 1949 and in supersession of the State Bank of Pakistan Notification No.FE.3/92-SB dated the 10th November, 1992, the State Bank of Pakistan is pleased to permit any person to bring into Pakistan : -

(i) From any place outside Pakistan any foreign currency notes or bank notes without limit except un-issued notes.

(ii) Notes legal tender in Pakistan not exceeding Rs. 500.00 (Rupees five hundred only) from India and Rs. 3,000.00 (Rupees three thousand only) from any place other than India, in value in all per person at any one time.

APPENDIX III - 15
NOTIFICATION NO. F.E.1/94-SB
DATED THE 20TH MARCH, 1994

In pursuance of the Government of Pakistan Notification No. 1 (2)-ECS/48, dated the 1st July, 1948, and in supersession of State Bank of Pakistan Notification No. F. E. 1/89-SB, dated the 2nd December, 1989, the State Bank of Pakistan is pleased to permit the import of pure gold which also falls under Heading No. 71.08 of the First Schedule to the Customs Act, 1969 (IV of 1969) into Pakistan as accompanied baggage from any place outside Pakistan in accordance with the Import Policy Order as amended from time to time.

APPENDIX III - 16
NOTIFICATION NO. F.E.2/98-SB
DATED THE 21ST JULY, 1998

In exercise of the powers conferred by sub-section (2) of Section 8 of the Foreign Exchange Regulation Act, 1947 (Act No. VII of 1947), and in supersession of State Bank of Pakistan Notification No. F.E. 1/91-SB dated the 26th February, 1991, the State Bank of

Pakistan is pleased to permit:-

(a) Authorized Dealers to send out of Pakistan, cheques, drafts or bills of exchange which have been acquired by them in the normal course of their business and within the terms of their authorization.

(b) Any person maintaining an account expressed in a foreign currency, and held under any permission, general or otherwise, granted by the State Bank of Pakistan to take or send out of Pakistan, cheques or drafts drawn on such account.

Any person, other than a person to whom foreign exchange is issued for travelling purposes only, to send out of Pakistan foreign exchange issued to him by an Authorized Dealer.

(d) Any person to take out of Pakistan foreign exchange issued to him by an Authorized Dealer in Pakistan and endorsed on his passport.

(e) Any person not ordinarily resident in Pakistan, to take out of Pakistan the unspent amount of foreign currency brought by him into Pakistan provided the period of his continuous stay in Pakistan does not exceed three months, and

(f) Any person to take out of Pakistan US$ 10,000/- or equivalent thereof in other foreign currencies.

APPENDIX III - 17
NOTIFICATION NO. F.E. 1/2000-SB
DATED THE 21ST AUGUST, 2000

In exercise of the powers conferred by section 23 (3) of the Foreign Exchange Regulation Act, 1947 (VII of 1947) and in supersession of the State Bank of Pakistan Notification No. F.E. 3/94-SB, dated the 12th October, 1994 the State Bank of Pakistan is pleased to authorise the following Officers of the Exchange Policy Department of the State Bank of Pakistan to make complaints of offences punishable under section 23: -

1. The Director, Exchange Policy Department.
2. The Additional Director, Exchange Policy Department.
3. A Joint Director.
4. A Deputy Director.
5. An Assistant Director.
6. A Foreign Exchange Officer.
7. An Assistant Foreign Exchange Officer.

APPENDIX III - 18
NOTIFICATION NO. F.E. 2/2000-SB
DATED THE 21ST AUGUST, 2000

In pursuance of rule 4 of the Foreign Exchange Rules, 1952 and in supersession of the State Bank of Pakistan Notifications No. F.E. 2/72-SB, dated the 30th March, 1972 and No. F.E. 4/72-SB, dated the 5th October, 1972 and No. F.E. 1/93-SB, dated the 14th January, 1993 and No. F.E. 2/94-SB, dated the 12th October, 1994 the State Bank of Pakistan is pleased to notify that all powers vested in the State Bank under the Foreign Exchange Regulation Act, 1947 (VII of 1947) shall be exercised and all functions entrusted to the State Bank under the said Act shall be performed in the name of the State Bank by the following Officers of the Exchange Policy Department of the State Bank, namely: -

1. The Director, Exchange Policy Department.

2. The Additional Director, Exchange Policy Department.
3. A Joint Director.
4. A Deputy Director.
5. An Assistant Director.
6. A Foreign Exchange Officer.
7. An Assistant Foreign Exchange Officer.

APPENDIX III – 19
NOTIFICATION NO.F.E.1/2001-SB
DATED THE 15TH AUGUST,2001

In exercise of the powers conferred by section 23 (3) of the Foreign Exchange Regulation Act, 1947 (VII of 1947), and in supersession of the State Bank of Pakistan's Notification No.F.E.1/2000-SB dated 21st August,2000, State Bank of Pakistan is pleased to authorize the following Officers of the Exchange Policy Department of the Bank to make complaints of offences punishable under section 23 of the Act :

1. The Director.
2. The Senior Joint Director.
3. A Joint Director.
4. A Junior Joint Director.
5. An Assistant Director.
6. A Foreign Exchange Officer
7. An Assistant Foreign Exchange Officer.

APPENDIX III – 20
NOTIFICATION NO.F.E.2/2001-SB
DATED THE 15TH AUGUST,2001

In pursuance of Rule 4 of the Foreign Exchange Rules, 1952 and in supersession of the State Bank of Pakistan's Notification Nos.F.E.2/72-SB dated 30th March, 1972 and No.F.E.4/72-SB dated 5th October,1972 and No.F.E.1/93-SB dated 14th January,1993 and No.F.E.2/94-SB dated the 12th October,1994 and No.F.E.2/2000-SB dated 21st August,2000, State Bank of Pakistan is pleased to notify that all powers vested in the State Bank under the Foreign Exchange Regulation Act,1947 (VII of 1947), shall be exercised and all functions entrusted to the State Bank under the said Act shall be performed in the name of the State Bank by the following Officers of the Exchange Policy Department of the State Bank, namely :-

1. The Director.
2. The Senior Joint Director.
3. A Joint Director.
4. A Junior Joint Director.
5. An Assistant Director.
6. A Foreign Exchange Officer
7. An Assistant Foreign Exchange Officer.

APPENDIX III - 21
NOTIFICATION NO. F.E. 3/2001-SB
DATED THE 28TH SEPTEMBER, 2001

In pursuance of rule 3 of Foreign Exchange Rules, 1952 and all other powers enabling it in this behalf under the Foreign Exchange Regulation Act, 1947 (VII of 1947) and in supersession of the Notification No. F.E. 1/98-SB dated 8th June 1998, as amended from time to time, the State Bank of Pakistan is pleased to notify as follows: -

1. A declaration required to be submitted under sub-section (I) of Section 12 of the F.E.R. Act, 1947 (VII of 1947) shall be submitted by the exporter:

(a) When goods are exported otherwise than by post, to Collector of Customs;

(b) When goods are exported by post, to the Post Master of the Post Office at which the goods are posted for export.

2. An amount representing the full export value of the goods shall be paid on the due date for payment as per terms of Sale Contract or within six months from the date of shipment or posting, as the case may be, whichever is earlier.

3. An amount representing the full export value of the goods exported to any country shall be paid through an Authorized Dealer in Pakistan either in U.S. Dollar or in any convertible foreign currency in which an Authorized Dealer maintains accounts or in Pakistan rupees from a non-resident bank account.

APPENDIX III - 22
NOTIFICATION NO.F.E.1/2012-SB
DATED THE 16th JUNE, 2012

In continuation of State Bank of Pakistan Notification No. F.E.5/92-SB dated the 28th December, 1992, the State Bank of Pakistan is pleased to notify that persons bringing into Pakistan currencies and/or bearer negotiable instruments exceeding aggregate value of U.S. Dollar 10,000 or equivalent shall make a declaration with effect from the 1st July, 2012 to the Customs Authorities on Form 'CD-1' appended to this Notification.

FORM 'CD-1'
CURRENCY DECLARATION FORM

(Prescribed under Foreign Exchange Regulation Act, 1947 vide State Bank of Pakistan Notification No.FE.1/2012-SB dated 16-6-2012)

To be filled by persons bringing into Pakistan currencies and/or bearer negotiable instruments exceeding aggregate value of U.S. Dollar 10,000 or equivalent

I .....hereby, declare that the following currencies and/or bearer negotiable instruments are in my possession at the
time of my arrival in Pakistan:

Serial No.	Description of Currency / Bearer Negotiable Instrument *	Amount
1		
2		
3		

1. Name…….
2. Passport No. ……..... Place of issue……
3. Nationality. ……
4. Address in Pakistan.
……
……..
5. Name of Carrier/Airline.
……
6. Carrier / Flight No.
…….
7. Date of Arrival……...
8. Port of Embarkation……..
9. Port of Disembarkation…….
10. Purpose of Visit to Pakistan……

I declare that the information furnished by me above is correct, and in the event of its being not correct, I hold myself liable for such action as may be deemed fit under the Foreign Exchange Regulation Act, 1947 and/or the Customs Act, 1969.

Signature_____

* Includes cheques, promissory notes, traveller's cheques, bearer bonds, money orders, postal orders, pay orders, demand drafts etc. whose title may change on delivery to any other person.

Sd/-
(Yaseen Anwar)
Governor

APPENDIX III - 23
NOTIFICATION NO.F.E.1/2015-SB
DATED 1ST JUNE, 2015

In exercise of the powers conferred by Section 8 of the Foreign Exchange Regulation Act, 1947 (Act No. VII of 1947) and in terms of permission of State Bank of Pakistan, it is notified as follows:-

Any person is allowed to take out of Pakistan US Dollars or equivalent thereof in other foreign currencies as per the following limit:-

Age Group of Person	Maximum Limit Per person Per Visit (US$ or equivalent in other foreign currencies)	Annual Ceiling per person (US$ or equivalent in other foreign currencies)
Up to 5 years	1,000	6,000
From 5 - 18 years	5,000	30,000
Above 18 years	10,000	60,000

Sd/-

(Saeed Ahmad)
Governor (A)

APPENDIX III - 24
NOTIFICATION NO.F.E.1/2016-SB
DATED JULY 26, 2016

In exercise of the powers conferred by section 20 (3) of the Foreign Exchange Regulation Act, 1947 (VII of 1947), State Bank of Pakistan is pleased to notify as under:

(i) All imports into Pakistan shall only be made against advance payment, letter of credit, contract/ collection or on open account basis as per the procedure prescribed by the State Bank from time to time.

(ii) All importers of goods shall make a declaration to the Customs Authorities through Electronic Import Form (EIF) before filing of Goods Declaration that the payment against imported goods has been or will be made in a manner and within a period as may be specified by the State Bank from time to time.

Sd/-
(Ashraf Mahmood Wathra)
Governor

APPENDIX III - 25
NOTIFICATION NO. F.E.1/2017-SB
Dated the 30th August, 2017

Export of Currency Notes

In pursuance of Sub-Section (2) of Section 8 of the Foreign Exchange Regulation Act, 1947 (Act No. VII of 1947) and in supersession of State Bank of Pakistan Notification No. F.E. 4/92-SB dated the 28th December, 1992, the State Bank of Pakistan is pleased to permit as follows: -

(1) Any person may take out from Pakistan to any country other than India, currency notes of Pakistan not exceeding in all Rs.10,000/- (Rupees Ten Thousand Only) in value at any one time.

(2) Any person may take out from Pakistan to India currency notes of Pakistan not exceeding in all Rs. 3,000/- (Rupees Three Thousand Only) in value at any one time.

(3) Currency which has been brought into Pakistan in the safes/vaults of vessels or aircraft or which has been taken on board a vessel or aircraft with the permission of the State Bank of Pakistan may be taken out of Pakistan.

Sd/-
(Tariq Bajwa)
Governor

APPENDIX III - 26
NOTIFICATION NO. F.E.2/2017-SB
Dated the 30th August, 2017

Import of Currency Notes

In pursuance of Government of Pakistan Notification No.F.1 (8)-EF/49 dated the 2nd May, 1949 and in supersession of the State Bank of Pakistan Notification No.F.E.5/92-SB dated the 28th December, 1992, read with its Notification No.F.E.1/2012-SB dated the 16th June, 2012, the State Bank of Pakistan is pleased to permit any person to bring into Pakistan: -

(1) From any place outside Pakistan any foreign currency notes or bank notes without limit except un-issued notes.

(2) Notes legal tender in Pakistan not exceeding Rs. 3,000/- (Rupees Three Thousand Only) from India and Rs. 10,000/- (Rupees Ten Thousand Only) from any place other than India, in value in all per person at any one time.

Sd/-
(Tariq Bajwa)

Governor

APPENDIX III - 27
NOTIFICATION NO. F.E.1/2018-SB
Dated the 27th March, 2018

In pursuance of Rule 4 of the Foreign Exchange Rules, 1952 and in supersession of the State Bank's Notification No. F.E.1/2001-SB dated 15th August, 2001, the State Bank is pleased to authorize the following officers of Exchange Policy Department of the State Bank and Foreign Exchange Operations Department of the SBP Banking Services Corporation to make complaints of offences punishable under section 23 of the Foreign Exchange Regulation Act, 1947 (VII of 1947):

1. The Director
2. An Additional Director
3. A Senior Joint Director
4. A Joint Director
5. A Deputy Director
6. An Assistant Director

Sd/-
(Tariq Bajwa)
Governor

APPENDIX III - 28
NOTIFICATION NO. F.E.2/2018-SB
Dated the 27th March, 2018

In pursuance of Rule 4 of the Foreign Exchange Rules, 1952 and in supersession of the State Bank's Notification No. F.E.2/2001-SB dated 15th August, 2001, the State Bank is pleased to notify that all powers vested in it under the Foreign Exchange Regulation Act, 1947 (VII of 1947) shall be exercised and all functions entrusted to it under the said Act shall be performed in the name of the State Bank by the following officers of Exchange Policy Department of the State Bank:

1. The Director
2. An Additional Director
3. A Senior Joint Director
4. A Joint Director
5. A Deputy Director
6. An Assistant Director

Sd/-
(Tariq Bajwa)
Governor

APPENDIX III - 29
NOTIFICATION NO. F.E.3/2018-SB
Dated the 27th March, 2018

In continuation of State Bank's Notification No. F.E.2/2018-SB dated 27th March, 2018, the State Bank is pleased to notify that the powers vested in it under section 23K of the Foreign Exchange Regulation Act, 1947 (VII of 1947) shall be exercised in the name of the State Bank by the following officers of Off-site Supervision & Enforcement Department of the State Bank:

1. The Director
2. An Additional Director
3. A Senior Joint Director
4. A Joint Director
5. A Deputy Director
6. An Assistant Director

Sd/-
(Tariq Bajwa)
Governor

APPENDIX III - 30
NOTIFICATION NO. F.E.4/2018-SB
Dated the 6th August, 2018

In exercise of the powers conferred by section 4 (2) (g) of the Protection of Economic Reforms Act, 1992 (XII of 1992), the State Bank of Pakistan is pleased to notify that any person carrying foreign currency notes exceeding US$ 10,000 or equivalent within Pakistan shall be responsible to ensure that:

a) the foreign currency notes have been acquired through authorized sources.

b) the funds used for acquisition of such foreign currency are legitimate.

In case the person carrying foreign currency notes exceeding US$ 10,000 or equivalent fails to produce the evidence to the above effect, he shall be liable for action under the provisions of Foreign Exchange Regulation Act, 1947, Anti Money Laundering Act, 2010 or any other law for the time being in force.

Sd/-
(Tariq Bajwa)
Governor

APPENDIX III - 31
NOTIFICATION NO.F.E.5/2018-SB
DATED THE 8th OCTOBER, 2018

In terms of rule 4 of the Foreign Exchange Rules, 1952 read with section 18 of the SBP Banking Services Corporation Ordinance, 2001 and in continuation of State Bank's Notification No. F.E. 3/2018-SB dated March 27, 2018, the State Bank is pleased to notify that the powers vested in it under section 23K of the Foreign Exchange Regulation Act, 1947 (VII of 1947) shall also be exercised in the name of the State Bank on all violations that occurred before July 27, 2016 by the following officers of Foreign Exchange Operations Department of SBP-Banking Services Corporation:

1. The Director
2. An Additional Director
3. A Senior Joint Director
4. A Joint Director
5. A Deputy Director
6. An Assistant Director

Sd/-
(Tariq Bajwa)
Governor

APPENDIX III - 32
NOTIFICATION NO.F.E.1/2019-SB
DATED THE 4th February, 2019

In terms of rule 4 of the Foreign Exchange Rules, 1952 read with section 18 of the SBP Banking Services Corporation Ordinance, 2001 and in continuation of State Bank's Notification No.F.E.5/2018-SB dated the 8th October, 2018, the State Bank is pleased to notify that officers of Foreign Exchange Operations Department of SBP-Banking Services Corporation notified in said notification shall continue to exercise, in the name of the State Bank, powers regarding issuance of Show Cause Notice and provision of opportunity of being heard, under section 23K of the Foreign Exchange Regulation Act, 1947 (VII of 1947) on all violations of functions already delegated to SBP-Banking Services Corporation that occurred on and after July 27, 2016.

Sd/-
(Tariq Bajwa)
Governor

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List of Authorized Dealers

Sr. No.	Name of Authorized Dealers	Prefix Allotted
1.	Al Baraka Bank (Pakistan) Ltd.	ABP
2.	Allied Bank Ltd.	ABL
3.	Askari Bank Ltd.	AKB
4.	Bank Alfalah Ltd.	BAF
5.	Bank Al Habib Ltd.	AHB
6.	BankIslami Pakistan Ltd.	BIP
7.	Bank of China Ltd.	BOC
8.	Citibank N.A.	CBN
9.	Deutsche Bank AG	DBK
10.	Dubai Islamic Bank Pakistan Ltd.	DIB
11.	Faysal Bank Ltd.	FBL
12.	First Women Bank Ltd.	FWB
13.	Habib Bank Ltd.	HBL
14.	Habib Metropolitan Bank Ltd.	HMB
15.	Industrial and Commercial Bank of China	ICB
16.	JS Bank Ltd.	JSB
17.	MCB Bank Ltd.	MCB
18.	MCB Islamic Bank Ltd.	MIB
19.	Meezan Bank Ltd.	MBL
20.	MUFG Bank Ltd	MUF
21.	National Bank of Pakistan	NBP
22.	Samba Bank Ltd.	SMB
23.	Silkbank Ltd.	SLB
24.	Sindh Bank Ltd.	SNB
25.	Soneri Bank Ltd.	SBL
26.	Standard Chartered Bank (Pakistan) Ltd.	SCB
27.	Summit Bank Ltd.	STB
28.	The Bank of Khyber	BOK
29.	The Bank of Punjab	BOP
30.	United Bank Ltd.	UBL

APP. V	1

BANK'S NAME_____

DATE:_____

STATEMENT OF CANCELLED/UNUTILIZED L/Cs WITH FORWARD COVER

SR. No.	CLIENT	L/C AMOUNT	L/C MATURITY DATE	FORWARD BOOKING AMOUNT	FORWARD BOOKING DATE	MATURITY DATE OF FORWARD BOOKING	FORWARD BOOKING RATE	L/C CANCELLATION DATE	CLOSE OUT EXCHANGE RATE	EXCHANGE GAIN/LOSS DUE TO CANCELLATION/ UNUTILIZATION	REASONS FOR CANCELLATION/ UNUTILIZATION
									.		

(Authorized Signatory)

APP. V	2

NAME OF THE BANK……..

STATEMENT SHOWING SURRENDER OF FOREIGN EXCHANGE IN RESPECT OF FOREIGN CURRENCY TERM/FIXED DEPOSITS FOR MATURITIES RANGING BETWEEN 3 TO 12 MONTHS

Serial No. of the Statement …….

Date: ……

Sl. No.	Account No./ F.D.R. No. etc.	Date of deposit	Date of surrender of Foreign Ex-change to SBP	Amount of Deposit	Period of Deposit	Date of maturity	Rate of interest	Particulars of existing forward contracts in case of renewal of old deposits		
								Contract No.	Date	Amount
1.										
2.										
3.										
4.										
5.										
6.										
7.										
8.										
9.										
10.										
11.				_____						_____
		TOTAL:		_____						_____

Authorized Signature

NAME OF THE BANK.....

APPLICATION FOR PAYMENT OF SUBSIDY ON FOREIGN CURRENCY TERM/FIXED DEPOSITS FROM MATURITIES ABOVE THREE (3) MONTHS

S. No.	Account No.	Date of Deposit	Reference No. of the Statement in App. V-2 and S. No. of the item		Forward Contract Number	Amount of deposit in foreign currency	Period of deposit with maturity date	Rate of interest payable
			Statement No.	Item No.				
1	2	3	4		5	6	7	8

Rate applicable for payment of subsidy	Total amount in foreign currency at the rate given in Column 9	Rate of return last allowed on such Rupee PLS Accounts	Interest amount in foreign currency at the domestic rate given in Column 11	Amount of subsidy in foreign currency (10 - 12)	Rupee equivalent of the amount of subsidy	
					Exchange Rate	Amount
9	10	11	12	13	14	

It is certified that the interest amount on the above deposits for their full term has been paid/credited to the Account-holder.

(Authorized Signature)

APP. V	4

Monthly Statement of Foreign Currency Accounts (Foreign Equity, Foreign Currency Commercial Loans/ Insurance etc.)

(to be submitted by the 5th of the following month)

Month	Bank Name	Project Name	Project Address	CPEC/ Non-CPEC	IBAN (A/C No.)	Account Name	Country Code where A/C Maintained	Company NTN	Currency Code	Transaction Country Code	SBP's Approval No. and Date	Purpose Code*	Amount

* Purpose code (as per list) specifies head against which the information is required.

FORM Q.A.22

Form of undertaking to be furnished by foreign nationals resident in Pakistan and companies and firms whose head offices are outside Pakistan for maintaining Bank account

To

The Manager/Agent,

_____
(Name of Bank)
_____

Dear Sir,

I/We hereby certify that the credits paid into my/our account with your bank relate normally to my/our trading business in Pakistan only and consist of the following:-

(Here state the principal sources from which rupee payments into the account are derived, e.g., payments received for goods sold, stating general nature of goods.)'

In consideration of the State Bank of Pakistan agreeing to dispense with my/our completing Form A-7 in respect of every credit to my/our account, other than from non-resident account, I/We undertake that I/We will not make available to any persons or firms in Pakistan any foreign currency which may be at my/our disposal, against reimbursement in rupees, without first having obtained the permission of the State Bank of Pakistan, (through an Authorized Dealer) by completing Form A-7 in respect of the rupee payment to my/our account. I/We further agree to complete Form A-7 in respect of any payments into the account which may not be directly connected with my/our trading activities in Pakistan, or which represent remittances received from overseas.

Yours faithfully,

(Signature of applicant)

Date .....

Full Name of applicant .....

Nationality ..... Passport No..... dated..... .issued by.....

Occupation .....

Address .....

Date of arrival in Pakistan .....

We certify that to the best of our knowledge and belief the information given above is correct.

Stamp and Signature of Authorized Dealer

Date.....

Note:- This form should be completed in duplicate and submitted to the A.D. with whom the account is desired to be opened.

FORM A-7

FOREIGN EXCHANGE REGULATION ACT, 1947

Application to Transfer Pakistan Rupees From/To a Private Non-Resident Account held in Pakistan.

N.B. (1) This form should be used only when payment is made in Pakistan Rupees to or from an Account in the name of a person or firm other than a bank outside Pakistan.

(2) This form should be completed in duplicate when transfer is from one non-resident account to another.

I/We the undersigned apply for permission to transfer/pay Rs. ……say……
(in figures) (in words)
from/to the account of ……...

……
(name and address of transferor/transferee or full title of account debited/credited stating the country of residence and name

……of
bank with whom account is kept.)

to/from ……..
(name and address of transferee /transferor or full title of account credited/debited stating the country of residence and name

……of
bank with whom account is kept.)

for the purpose stated below:-

……..

……..

……..

I/We declare that the statements on this form are true, that the transfer is solely for the purpose specified above and that this purpose in no way contravenes the provisions of the Foreign Exchange Regulation Act, 1947.

Name of Applicant ……. ……..

Nationality …….. Stamp & Signature(s) of Applicant

Address ……... Date ……..

P. T. O.

We hereby certify that the statements overleaf are to the best of our knowledge correct and that we have seen documentary evidence in support thereof and allowed transfer in terms of Chapter 8 of the Foreign Exchange Manual/apply for permission of the State Bank to effect the transfer

Stamp & Signature of the
Date..... Authorized Dealer

.....

Space for use by the State Bank of Pakistan

State Bank of Pakistan,
Exchange Policy Department,
.....

Joint Director/Deputy Director

Date .....

Note:- The approval of the State Bank of Pakistan will remain valid for one month from the date of approval.

Serial No. xyz000000 FORM "M"

FOREIGN EXCHANGE REGULATION ACT, 1947

Application for permission under section 4 and 5 of Foreign Exchange Regulation Act to Purchase foreign exchange for the purpose specified below.

If the applicant is income tax payer, please indicate:-
G.I.R. No. .....
and the Income Tax Circle .....
If the applicant/remitter is not an income tax payer, the word "Nil" should be clearly stated.

Name and address of Authorized Dealer.....
CNIC No., date and place of issue .....
If the applicant/remitter is a corporate body, the word "Nil" should be clearly stated.

I/We, the undersigned hereby apply to obtain the following foreign exchange to make payment for the purpose as described below. I/We hereby declare that:-

1. The above payment is due to be made by me/us and I/we have not already obtained exchange nor have I/we made any other application for this purpose.
2. I/We assume full responsibility for complying with the provision of Foreign Exchange Regulation Act, 1947 and rules, orders and directions issued thereunder.
3. During the current calendar year I have not remitted so far any sum in excess of Rs..... including the amount now applied for an account of:-
   *(i) Membership Fee of institutions
   *(ii) Examination Fee
   *(iii) Membership Fee of Social Clubs
   *(iv) Subscription to news papers/magazines and purchase of books.
   (*Delete where not applicable.)

Amount (state currency)	Purpose	Name and address of beneficiary

Amount in words .....

Name (Block Letters) ..... Address .....

.....

Phone No. ..... Nationality ..... Signature of the applicant .....

(Valid for 30 days from the date of approval)
STATE BANK OF PAKISTAN CERTIFICATE OF APPROVAL (if required)

Approved for .....
(State amount in figures and words)

Approval No. .....

Signature and Seal of State Bank of Pakistan

Date .....

(Contd.)

To be completed by an Authorized Dealer

---

1. We hereby certify that the statements given above are to the best of our knowledge and belief correct and that we have seen documentary evidence in support hereof viz:-

   ……

   ……

2. We have effected the remittance of (state foreign currency) …… on …….. by TT/MT/Draft in terms of F.E. Circular/Foreign Exchange Manual Para No…….. dated …….. or as per above approval of State Bank on Form "M".

Signature & Stamp of Authorized Dealer

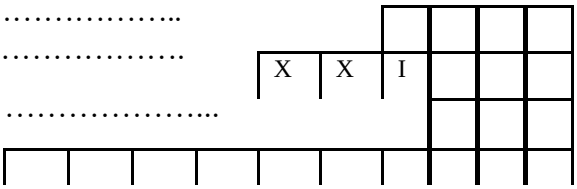
CODING OF TRANSACTION BY AUTHORIZED DEALER/STATE BANK

Country receiving this payment……..

Purpose for which exchange is required…….

Department…… ……...

Amount of Foreign Exchange (In figures)



(in words) …….

……...

Signature & Stamp of State Bank/Authorized Dealer

STATE BANK OF PAKISTAN
FOREIGN EXCHANGE REGULATION ACT, 1947

Permit No. ..... *Not valid after* .....

The SBP Banking Services Corporation is pleased to authorize .....
(Name)

of .....
(Address)

to remit to .....
(Beneficiary)

sum/s not exceeding ..... *say* .....
(Amount in figures) *(Amount in words).*

A	** in any one month/quarter/half year (Non-Cumulative) upto*
B	** per month for ..... months upto .....* *(amount not availed of in any month(s) being available on a cumulative basis in sub-sequent months within the validity of the permit)*
C	** in all during the period upto*

*** Strike out the clauses which do not apply**

through .....
(Authorized Dealer in Pakistan)

for the purpose of .....

SBP-Banking Services Corporation,
Foreign Exchange Operations Department,
.....

Date ..... *Joint Director/Deputy Director*

NOTES

1. All remittances effected under the authority of this permit must be endorsed on the reverse hereof by the Authorized Dealer at the time of remittance. The permit number should be noted on the form on which the remittance is reported to the State Bank/SBP-Banking Services Corporation.

2. When the permit is fully utilized it must be returned to the SBP-Banking Services Corporation by the Authorized Dealer alongwith form 'M' on which the last remittance has been reported.

3. Attention is drawn to sub-section 3 of Section 4 of the Foreign Exchange Regulation Act, 1947, in terms of which Foreign exchange acquired under this permit must be used only for the purpose for which it has been granted. If it cannot be so used or if the conditions under which this permit is issued cannot be complied with, the holder should without delay sell the foreign exchange to an Authorized Dealer.

P.T.O

(Endorsement by the Authorized Dealer)

Sl. No.	Date of remittance	Amount remitted	Balance	Stamp and Signature of the Authorized Dealer	Remarks

[NAME OF AUTHORIZED DEALER (BANK)]

(Branch with Address)

ENCASHMENT
CERTIFICATE No. ..... Date .....

CERTIFICATE OF ENCASHMENT OF FOREIGN CURRENCY/INSTRUMENT

We certify having encashed the foreign currency/instrument as detailed below from Mr./ Mrs./ Miss ..... holding nationality of ..... (country) .as per

CNIC/Passport No. ..... dated ..... issued at . . . .

Date of Encashment	Purpose Code	Foreign Currency/ Type of Instrument	Amount of Foreign Currency	Rate of Conversion	Equivalent PKR paid Rs.

The above transaction has been/will be reported to S B P / SBP-Banking Services Corporation ..... (Place) by us in ..... Statement for the month of ....

In case of amount exceeding USD 10,000/- or equivalent, a copy of deceleration filed by the traveler with the Customs authorities in terms of SBP Notification No. F.E.1/2012-SB dated the 16th June 2012 shall be retained by the Authorized Dealers.

Signature with Stamp of Authorized Dealer (Bank)

ELECTRONIC FORM-E

Declaration to be furnished by exporters pursuant to section 12(1) of the Foreign Exchange Regulation Act, 1947 read with government notifications No. 1(6)-ECS/48 and No. 1 (7)-ECS/48 both dated the 1st July, 1948.

1 – Form E No & Issuance Date					
2 – Trader's Details			**3 - Bank Details**		
Business Name	**NTN**		**Authorized Dealer (Bank)**	**City**	
Address			**Branch**		
4 - Importer / Consignee Details					
Consignee Name & Address			**Country**		**Port of Discharge**
5-Total Invoice Value & Currency		**6 - Payment Terms**		**7- Delivery Terms (Inco-Terms)**	
8 - Goods Description				**9- Quantity & UOM**	
10 - Approving Authority Remarks					

Documents covering the goods in the Form-E including full set of bills of lading, railway receipt and/or other documents of title to the goods must be passed through an Authorized Dealer in Foreign Exchange. In no case may they be dispatched direct without prior special/general authority in writing of the State Bank of Pakistan.

UNDERTAKING/DECLARATION BY EXPORTER

An incorrect declaration on this form constitutes an offence under Foreign Exchange Regulation Act, 1947 (VII of 1947).

I/We, hereby declare that I/We am/are the sellers/consignors/exporters of the goods described herein in respect of which this declaration is made out and that the particulars given in this Form-E are true and that the invoice value declared in the Form-E in case of firm contracts is full value as contracted with the buyers/in case of consignment sale is a fair value of goods which are being shipped on consignment sale. I/We undertake that I/we shall deliver to the bank mentioned above the foreign exchange proceeds resulting from the export of these goods on the due date for payment or within six months from the date of shipment/dispatch whichever is earlier. In the event of consignment sale we undertake to furnish to the above bank a fully documented account sale certified by the consignees /Chamber of Commerce of the country of import or any other documents required by the State Bank of Pakistan. I/We declare that nothing material or relevant to the information given in this Form has been omitted or suppressed and whatever is stated herein is true to my/our knowledge and belief. I/We undertake to submit to the Authorized Dealer whose name appears in the Form-E within fourteen days of shipment the documents for negotiation/for sending on collection.

CERTIFICATE OF AUTHORISIED DEALER

Certified that the above exporter(s) is/are known to us, that he/they is/are bonafide businessman/businessmen in Pakistan and that he/ they has/have made arrangements with us for the realization of the export proceeds, of the goods declared on this form, on the due date for payment or within six months from the date of shipment/posting, whichever is earlier, in accordance with the State Bank's Notification No. FE 3/2001-SB dated the 28th September, 2001 and that we are satisfied with said arrangements. We have also satisfied ourselves about the bonafides of the importers/consignees abroad and their credentials etc.

*We undertake to ensure that export proceeds against shipment on firm contract shall be received by us on the due date for payment or within six months from the date of shipment/posting, whichever is earlier, in accordance with the State Bank's Notification No.FE 3/2001-SB dated the 28th September, 2001. In the event of non-compliance due to reasons beyond our control we shall furnish to the State Bank of Pakistan a full explanation as to the reasons and circumstances resulting in our inability to comply.

*We undertake that in the event of non-realization of export proceeds against shipment on consignment sale within the stipulated period of six months, we shall obtain from the exporter(s) and furnish to the State Bank of Pakistan a full explanation as to the circumstances resulting in non-realization. We further undertake that in the event of short realization, we shall obtain from the exporter(s) and furnish to the State Bank of Pakistan a fully documented account sale certified by the consignees/Chamber of Commerce of the country of import.

FORM E

ORIGINAL

(For Exports)
Serial No. xyz 0000000

TO BE SUBMITTED TO THE CUSTOMS/POST OFFICE

Declaration to be furnished by exporters pursuant to section 12(1) of the Foreign Exchange Regulation Act, 1947 read with government notifications No. 1(6)-ECS/48 and No. 1 (7)-ECS/48 both dated the 1st July, 1948.

If the applicant is income tax payer, please indicate:
G.I. R. No. .....
and the Income Tax Circle .....
If the applicant is not an income tax payer,
the word 'Nil' should be clearly stated.

CNIC No. | | | | | | - | | | | | | | | - | |

Place of issue .....
Date of issue .....
of the authorized representative of exporter signing the form.

Name and address of the Authorized Dealer .....

Documents covering the goods below including full set of bills of lading, railway receipt and/or other documents of title to the goods must be passed through an Authorized Dealer in Foreign Exchange. In no case may they be dispatched direct without prior special/general authority in writing of the State Bank of Pakistan.

An incorrect declaration on this form constitutes an offence under Foreign Exchange Regulation Act, 1947 (VII of 1947).

I/We, the undersigned hereby declare that I/We am/are the sellers/consignors of the goods described below in respect of which this declaration is made out and that the particulars given in the following columns are true and that the invoice value declared in column 3 in case of firm contracts is full value as contracted with the buyers/in case of consignment sale is a fair value of goods which are being shipped on consignment sale. I/We undertake that I/We shall deliver to the bank mentioned above the foreign exchange proceeds resulting from the export of these goods on the due date for payment or within six months from the date of shipment/dispatch whichever is earlier. In the event of consignment sale we undertake to furnish to the above bank a fully documented account sale certified by the consignees /Chamber of Commerce of the country of import or any other documents required by the State Bank of Pakistan. I/We declare that nothing material or relevant to the information given in this Form has been omitted or suppressed and whatever is stated herein is true to my/our knowledge and belief. I/We undertake to submit the duplicate and triplicate copies of this form to the Authorized Dealer whose name appears above within fourteen days of shipment alongwith documents for negotiation/for sending on collection.

GOODS with full details and quality as identifiable with the Market Reports	QUANTITY Bales, Bundles, Pieces Maunds, Tons, Lbs, Kgms, Cases etc.	Invoice value of goods (State currency and terms i.e. CIF/C&F/FOB)	Terms of Sale i.e. Firm Contract or Consignment Sale	Port/Station and country of destination	Name and address of the importer/ consignee
1	2	3	4	5	6
		TERMS			

Name of carrying Steamer/Air Coy/ Truck Co./Railway/ Post Office	Bill of Lading/Airway Bill/Railway receipt/ Post Parcel Receipt/ Truck Receipt No.	Value declared on documents listed in Column 8.	Port of Shipment/ Post Office of dispatch	Land Custom Post
7	8	9	10	11

Name (Block Letters).....Phone No. .....
Full Address .....
.....

(Stamp and Authorized Signature of Exporter)

(Contd.)

CERTIFICATE OF AUTHORIZED DEALER

Certified that the above exporter(s) is/are known to us, that he/they is/are bonafide businessman/businessmen in Pakistan and that he/ they has/have made arrangements with us for the realization of the export proceeds, of the goods declared on this form, on the due date for payment or within six months from the date of shipment/posting, whichever is earlier, in accordance with the State Bank's Notification No.FE 3/2001-SB dated the 28th September, 2001 and that we are satisfied with said arrangements. We have also satisfied ourselves about the bonafides of the importers/consignees abroad and credentials etc.

*We undertake to ensure that export proceeds against shipment on firm contract shall be received by us on the due date for payment or within six months from the date of shipment/posting, whichever is earlier, in accordance with the State Bank's Notification No.FE 3/2001-SB dated the 28th September, 2001. In the event of non-compliance due to reasons beyond our control we shall furnish to the State Bank of Pakistan a full explanation as to the reasons and circumstances resulting in our inability to comply.

*We undertake that in the event of non-realization of export proceeds against shipment on consignment sale within the stipulated period of six months, we shall obtain from the exporter(s) and furnish to the State Bank of Pakistan a full explanation as to the circumstances resulting in non-realization. We further undertake that in the event of short realization, we shall obtain from the exporter(s) and furnish to the State Bank of Pakistan a fully documented account sale certified by the consignees/Chamber of Commerce of the country of import.

*(Strike out the portion not applicable and authenticate with initials)

Date……..

……..
(Stamp and Signature of Authorized Dealer)

TO BE COMPLETED BY CUSTOMS/POST OFFICE

1. Month in which this item is included in the Customs/Post Office Return……
2. Value assessed by the Customs/Post Office……..
3. Shipping Bill/Airway Bill/Post Parcel Receipt No…… dated……..

SEAL

……..
(SIGNATURE OF CUSTOM OFFICER)

Contd……

CERTIFICATE BY AUTHORIZED DEALER IN PAKISTAN

(Applicable where advance payment or irrevocable or confirmed letter of credit is required in cover of the shipment).

WE HEREBY CONFIRM THAT:

1. An irrevocable/confirmed letter of credit No……for…….on…….. has been opened covering the shipment described on Page 1.

2. a remittance for ……..has been received as per method No…….. as indicated below on……..and has been allocated against the shipment described on Page 1.

		Amount
(1)	In Pak Rupees from a Non-Resident Bank A/c.	……..
(2)	In Foreign Currency …….. (State Currency)	……..

Date…….. ……..
(STAMP AND SIGNATURE OF AUTHORIZED DEALER)

CODING OF THE TRANSACTION BY AUTHORIZED DEALER/STATE BANK OF PAKISTAN

(For SBP use only)

Shipment date …….

Country of Destination…….

Commodity……

Amount in figures….

Quantity

(Lbs/Tons/Maunds/Bales/Pieces/Bundles/Kgms)

(For SBP use only)

BL/RR/AWB/PPR/TR. No.

Date…….. ……..
STAMP AND SIGNATURE OF AUTHORIZED DEALER/STATE BANK

DUPLICATE

FORM E

(For Exports)
Serial No. xyz 0000000

TO BE SUBMITTED TO THE CUSTOMS/POST OFFICE

Declaration to be furnished by exporters pursuant to section 12(1) of the Foreign Exchange Regulation Act, 1947 read with government notifications No. 1(6)-ECS/48 and No. 1 (7)-ECS/48 both dated the 1st July, 1948.

If the applicant is income tax payer, please indicate:
G.I. R. No. .....
and the Income Tax Circle .....
If the applicant is not an income tax payer,
the word 'Nil' should be clearly stated.

CNIC No. | | | | | | - | | | | | | | | - | |

Place of issue .....
Date of issue .....
of the authorized representative of exporter signing the form.

Name and address of the Authorized Dealer .....

Documents covering the goods declared below including full set of bills of lading, railway receipt and/or other documents of title to the goods must be passed through an Authorized Dealer in Foreign Exchange. In no case may they be despatched direct without prior special/general authority in writing of the State Bank of Pakistan.

An incorrect declaration on this form constitutes an offence under Foreign Exchange Regulation Act, 1947 (VII of 1947).

I/We, the undersigned hereby declare that I/We am/are the sellers/consignors of the goods described below in respect of which this declaration is made out and that the particulars given in the following columns are true and that the invoice value declared in column 3 in case of firm contract is full value as contracted with the buyers/in case of consignment sale is a fair value of goods which are being shipped on consignment sale. I/We undertake that I/We shall deliver to the bank mentioned above the foreign exchange proceeds resulting from the export of these goods on the due date for payment or within six months from the date of shipment/dispatch whichever is earlier. In the event of consignment sale we undertake to furnish to the above bank a fully documented account sale certified by the consignees/Chamber of Commerce of the country of import or any other documents required by the State Bank of Pakistan. I/We declare that nothing material or relevant to the information given in this Form has been omitted or suppressed and whatever is stated herein is true to my/our knowledge and belief. I/We undertake to submit the duplicate and triplicate copies of this form to the Authorized Dealer whose name appears above within fourteen days of shipment alongwith documents for negotiation/for sending on collection.

GOODS with full details and quality as identifiable with the Market Reports	QUANTITY Bales, Bundles, Pieces Maunds, Tons, Lbs, Kgms, Cases etc.	Invoice value of goods (State currency and terms i.e. CIF/C&F/FOB)	Terms of Sale i.e. Firm Contract or Consignment Sale	Port/Station and country of destination	Name and address of the importer/ consignee
1	2	3	4	5	6
		TERMS			

Name of carrying Steamer/Air Coy/ Truck Co./Railway/ Post Office	Bill of Lading/Airway Bill/Railway Receipt/ Post Parcel Receipt/ Truck Receipt No.	Value declared on documents listed in Column 8.	Port of Shipment/ Post Office of despatch	Land Custom Post
7	8	9	10	11

Name (Block Letters).....Phone No. .....
Full Address .....
.....

(Stamp and Authorized Signature of Exporter)

(Contd.)

CERTIFICATE OF AUTHORIZED DEALER

Certified that the above exporter(s) is/are known to us, that he/they is/are bonafide businessman/businessmen in Pakistan and that he/ they has/have made arrangements with us for the realization of the export proceeds, of the goods declared on this form, on the due date for payment or within six months from the date of shipment/posting, whichever is earlier, in accordance with the State Bank's Notification No.FE 3/2001-SB dated the 28th September, 2001 and that we are satisfied with said arrangements. We have also satisfied ourselves about the bonafides of the importers/consignees abroad and credentials etc.

*We undertake to ensure that export proceeds against shipment on firm contract shall be received by us on the due date for payment or within six months from the date of shipment/posting, whichever is earlier, in accordance with the State Bank's Notification No.FE 3/2001-SB dated the 28th September, 2001. In the event of non-compliance due to reasons beyond our control we shall furnish to the State Bank of Pakistan a full explanation as to the reasons and circumstances resulting in our inability to comply.

*We undertake that in the event of non-realization of export proceeds against shipment on consignment sale within the stipulated period of six months, we shall obtain from the exporter(s) and furnish to the State Bank of Pakistan a full explanation as to the circumstances resulting in non-realization. We further undertake that in the event of short realization, we shall obtain from the exporter(s) and furnish to the State Bank of Pakistan a fully documented account sale certified by the consignees/Chamber of Commerce of the country of import.

*(Strike out the portion not applicable and authenticate with initials)

Date……..

……..
(Stamp and Signature of Authorized Dealer)

TO BE COMPLETED BY CUSTOMS/POST OFFICE

1. Month in which this item is included in the Customs/Post Office Return……
2. Value assessed by the Customs/Post Office……..
3. Shipping Bill/Airway Bill/Post Parcel Receipt No…… dated……..

SEAL

……..
(SIGNATURE OF CUSTOM OFFICER)

Contd……

CERTIFICATE BY AUTHORIZED DEALER IN PAKISTAN

(Applicable where advance payment or irrevocable or confirmed letter of credit is required in cover of the shipment).

WE HEREBY CONFIRM THAT:

1. An irrevocable/confirmed letter of credit No……for…….on…….. has been opened covering the shipment described on Page 1.

2. a remittance for ……..has been received as per method No…….. as indicated below on……..and has been allocated against the shipment described on Page 1.

		Amount
(1)	In Pak Rupees from a Non-Resident Bank A/c.	……..
(2)	In Foreign Currency …….. (State Currency)	……..

Date…….. ……..
(STAMP AND SIGNATURE OF AUTHORIZED DEALER)

CODING OF THE TRANSACTION BY AUTHORIZED DEALER/STATE BANK OF PAKISTAN

(For SBP use only)

Shipment date …….

Country of Destination…….

Commodity……

Amount in figures….

Quantity

(Lbs/Tons/Maunds/Bales/Pieces/Bundles/Kgms)

(For SBP use only)

BL/RR/AWB/PPR/TR. No.

Date…….. ……..
STAMP AND SIGNATURE OF AUTHORIZED DEALER/STATE BANK

TRIPLICATE

FORM E

(For Exports)
Serial No. xyz 0000000

TO BE SUBMITTED TO AN AUTHORIZED DEALER WITHIN FOURTEEN DAYS OF SHIPMENT

Declaration to be furnished by exporters pursuant to section 12(1) of the Foreign Exchange Regulation Act, 1947 read with government notifications No. 1(6)-ECS/48 and No. 1 (7)-ECS/48 both dated the 1st July, 1948.

If the applicant is income tax payer, please indicate:
G.I. R. No. .....
and the Income Tax Circle .....
If the applicant is not an income tax payer, the word 'Nil' should be clearly stated.

CNIC No. | | | | | | - | | | | | | | - | |

Place of issue .....
Date of issue .....
of the authorized representative of the exporter signing the form.

Name and address of the Authorized Dealer .....

Documents covering the goods below including full set of bills of lading, railway receipt and/or other documents of title to the goods must be passed through an Authorized Dealer in Foreign Exchange. In no case may they be dispatched direct without prior special/general authority in writing of the State Bank of Pakistan.

An incorrect declaration on this form constitutes an offence under Foreign Exchange Regulation Act, 1947 (VII of 1947).

I/We, the undersigned hereby declare that I/We am/are the sellers/consignors of the goods described below in respect of which this declaration is made out and that the particulars given in the following columns are true and that the invoice value declared in column 3 in case of firm contract is full value as contracted with the buyers/in case of consignment sale is a fair value of goods which are being shipped on consignment sale. I/We undertake that I/We shall deliver to the bank mentioned above the foreign exchange proceeds resulting from the export of these goods on the due date for payment or within six months from the date of shipment/dispatch whichever is earlier. In the event of consignment sale we undertake to furnish to the above bank a fully documented account sale certified by the consignees/Chamber of Commerce of the country of import or any other documents required by the State Bank of Pakistan. I/We declare that nothing material or relevant to the information given in this Form has been omitted or suppressed and whatever is stated herein is true to my/our knowledge and belief.
I/We undertake to submit the duplicate and triplicate copies of this form to the Authorized Dealer whose name appears above within fourteen days of shipment alongwith documents for negotiation/for sending on collection.

GOODS with full details and quality as identifiable with the Market Reports	QUANTITY Bales, Bundles, Pieces Maunds, Tons, Lbs, Kgms, Cases etc.	Invoice value of goods (State currency and terms i.e. CIF/C&F/FOB)	Terms of Sale i.e. Firm Contract or Consignment Sale	Port/Station and country of destination	Name and address of the importer/ consignee
1	2	3	4	5	6
		TERMS			

Name of carrying Steamer/Air Coy/ Truck Co./Railway/ Post Office	Bill of Lading/Airway Bill/Railway Receipt/ Post Parcel Receipt/ Truck Receipt No.	Value declared on documents listed in Column 8.	Port of Shipment/ Post Office of despatch	Land Custom Post
7	8	9	10	11

Name (Block Letters).....Phone No. .....
Full Address .....
.....

(Stamp and Authorized Signature of Exporter)

(Contd.)

CERTIFICATE OF AUTHORIZED DEALER

Certified that the above exporter(s) is/are known to us, that he/they is/are bonafide businessman/businessmen in Pakistan and that he/they has/have made arrangements with us for the realization of the export proceeds, of the goods declared on this form, on the due date for payment or within six months from the date of shipment/posting, whichever is earlier, in accordance with the State Bank's Notification No. FE 3/2001-SB dated the 28th September, 2001 and that we are satisfied with said arrangements. We have also satisfied ourselves about the bonafides of the importers/consignees abroad and credentials etc.

*We undertake to ensure that export proceeds against shipment on firm contract shall be received by us on the due date for payment or within six months from the date of shipment/posting, whichever is earlier, in accordance with the State Bank's Notification No. FE 3/2001-SB dated the 28th September, 2001. In the event of non-compliance due to reasons beyond our control we shall furnish to the State Bank of Pakistan a full explanation as to the reasons and circumstances resulting in our inability to comply.

*We undertake that in the event of non-realization of export proceeds against shipment on consignment sale within the stipulated period of six months, we shall obtain from the exporter(s) and furnish to the State Bank of Pakistan a full explanation as to the circumstances resulting in non-realization. We further undertake that in the event of short realization, we shall obtain from the exporter(s) and furnish to the State Bank of Pakistan a fully documented account sale certified by the consignees/Chamber of Commerce of the country of import.

*(Strike out the portion not applicable and authenticate with initials)

Date……..

……
(Stamp and Signature of Authorized Dealer)

(Contd)

CERTIFICATE BY AUTHORIZED DEALER IN PAKISTAN

We certify that in accordance with method No……..as indicated below:-

(1) the full proceeds of the export detailed on this form have been received.
(2) the sale proceeds of the goods sold on consignment basis as per Account Sale attached to this form have been received .

	Amount
(1) In Pak Rupees from a Non-Resident Bank A/c.	…….
(2) In Foreign Currency …….. (State Currency)	…….

Date…….. …….

(STAMP AND SIGNATURE OF AUTHORIZED DEALER)

CODING OF THE TRANSACTION BY AUTHORIZED DEALER/STATE BANK OF PAKISTAN

(For SBP use only)

Shipment date …….

Country of Destination…….

Commodity……

Amount in figures….

Quantity

(Lbs/Tons/Maunds/Bales/Pieces/Bundles/Kgms)

(For SBP use only)

BL/RR/AWB/PPR/TR. No.

Date……. ……..

STAMP AND SIGNATURE OF AUTHORIZED DEALER/STATE BANK

QUADRUPLICATE

FORM E

(For Exports)
Serial No. xyz 0000000

FOR AUTHORIZED DEALER'S RECORD

Declaration to be furnished by exporters pursuant to section 12(1) of the Foreign Exchange Regulation Act, 1947 read with government notifications No. 1(6)-ECS/48 and No. 1 (7)-ECS/48 both dated the 1st July, 1948.

If the applicant is income tax payer, please indicate:
G.I. R. No. .....
and the Income Tax Circle .....
If the applicant is not an income tax payer,
the word 'Nil' should be clearly stated.

CNIC No. | | | | | | - | | | | | | | | - | |

Place of issue .....
Date of issue .....
of the authorized representative of exporter signing the form.

Name and address of the Authorized Dealer .....

Documents covering the goods below including full set of bills of lading, railway receipt and/or other documents of title to the goods must be passed through an Authorized Dealer in Foreign Exchange. In no case may they be dispatched direct without prior special/general authority in writing of the State Bank of Pakistan.

An incorrect declaration on this form constitutes an offence under Foreign Exchange Regulation Act, 1947 (VII of 1947).

I/We, the undersigned hereby declare that I/We am/are the sellers/consignors of the goods described below in respect of which this declaration is made out and that the particulars given in the following columns are true and that the invoice value declared in column 3 in case of firm contract is full value as contracted with the buyers/in case of consignment sale is a fair value of goods which are being shipped on consignment sale. I/We undertake that I/We shall deliver to the bank mentioned above the foreign exchange proceeds resulting from the export of these goods on the due date for payment or within six months from the date of shipment/dispatch whichever is earlier. In the event of consignment sale we undertake to furnish to the above bank a fully documented account sale certified by the consignees/Chamber of Commerce of the country of import or any other documents required by the State Bank of Pakistan. I/We declare that nothing material or relevant to the information given in this Form has been omitted or suppressed and whatever is stated herein is true to my/our knowledge and belief.
I/We undertake to submit the duplicate and triplicate copies of this form to the Authorized Dealer whose name appears above within fourteen days of shipment alongwith documents for negotiation/for sending on collection.

GOODS with full details and quality as identifiable with the Market Reports	QUANTITY Bales, Bundles, Pieces Maunds, Tons, Lbs, Kgms, Cases etc.	Invoice value of goods (State currency and terms i.e. CIF/C&F/FOB)	Terms of Sale i.e. Firm Contract or Consignment Sale	Port/Station and country of destination	Name and address of the importer/ consignee
1	2	3	4	5	6
		TERMS			

Name of carrying Steamer/Air Coy/ Truck Co./Railway/ Post Office	Bill of Lading/Airway Bill/Railway Receipt/ Post Parcel Receipt/ Truck Receipt No.	Value declared on documents listed in Column 8.	Port of Shipment/ Post Office of dispatch	Land Custom Post
7	8	9	10	11

Name (Block Letters).....Phone No. .....
Full Address .....
.....

(Stamp and Authorized Signature of Exporter)

(Contd.)

CERTIFICATE OF AUTHORIZED DEALER

Certified that the above exporter(s) is/are known to us, that he/they is/are bonafide businessman/businessmen in Pakistan and that he/they has/have made arrangements with us for the realization of the export proceeds, of the goods declared on this form, on the due date for payment or within six months from the date of shipment/posting, whichever is earlier, in accordance with the State Bank's Notification No. FE 3/2001-SB dated the 28th September, 2001 and that we are satisfied with said arrangements. We have also satisfied ourselves about the bonafides of the importers/consignees abroad and credentials etc.

*We undertake to ensure that export proceeds against shipment on firm contract shall be received by us on the due date for payment or within six months from the date of shipment/posting, whichever is earlier, in accordance with the State Bank's Notification No. FE 3/2001-SB dated the 28th September, 2001. In the event of non-compliance due to reasons beyond our control we shall furnish to the State Bank of Pakistan a full explanation as to the reasons and circumstances resulting in our inability to comply.

*We undertake that in the event of non-realization of export proceeds against shipment on consignment sale within the stipulated period of six months, we shall obtain from the exporter(s) and furnish to the State Bank of Pakistan a full explanation as to the circumstances resulting in non-realization. We further undertake that in the event of short realization, we shall obtain from the exporter(s) and furnish to the State Bank of Pakistan a fully documented account sale certified by the consignees/Chamber of Commerce of the country of import.

*(Strike out the portion not applicable and authenticate with initials)

Date……..

……
(Stamp and Signature of Authorized Dealer)

(Contd)

CERTIFICATE BY AUTHORIZED DEALER IN PAKISTAN

We certify that in accordance with method No……..as indicated below:-

(1) the full proceeds of the export detailed on this form have been received.
(2) the sale proceeds of the goods sold on consignment basis as per Account Sale attached to this form have been received .

	Amount
(1) In Pak Rupees from a Non-Resident Bank A/c.	…….
(2) In Foreign Currency …….. (State Currency)	…….

Date……..

……..

(STAMP AND SIGNATURE OF AUTHORIZED DEALER)

CODING OF THE TRANSACTION BY AUTHORIZED DEALER/STATE BANK OF PAKISTAN

(For SBP use only)

Shipment date …….

Country of Destination…….

Commodity……

Amount in figures….

Quantity

(Lbs/Tons/Maunds/Bales/Pieces/Bundles/Kgms)

(For SBP use only)

BL/RR/AWB/PPR/TR. No.

Date…….

……..

STAMP AND SIGNATURE OF AUTHORIZED DEALER/STATE BANK

STATEMENT SHOWING CASES OF NON-SUBMISSION OF EXPORT DOCUMENTS FOR THE MONTH OF…….

NAME OF AUTHORIZED DEALER WITH BRANCH

Sl. No.	Name of the Party	Form 'E' No. & date	Commodity	Destination	Value	Remarks

Date……..

Stamp & Signature
of the Authorized Dealer

FORM OF AUTHORIZED DEALER'S CERTIFICATE TO BE PRODUCED BY THE EXPORTER TO CARRIERS

CERTIFIED THAT shipment against "E" Form No.

..... dated ..... by M/s.

.....
(Name and address of the exporter)

to M/s.

.....
(Name and address of the importer)

is being made against irrevocable Letter of Credit/Advance Payment and there is no objection to

the Railway Receipt/Bill of Lading/Airway Bill/Truck Receipt and other documents of title to cargo being drawn to order or to the order of

.....
*(Opening bank/importer/exporter)

STAMP & SIGNATURE OF THE AUTHORIZED DEALER.

*Strike out whichever is not applicable.

APP. V	12A

AUTHORIZED DEALER'S CERTIFICATE TO BE PRODUCED BY THE EXPORTER TO CARRIERS

CERTIFIED THAT shipment against Form-E/ EFE No.....

dated.....by M/s.....
(Name and address of the exporter)

to M/s. .....
(Name and address of the importer)

is being made in line with the prescribed instructions of the State Bank of Pakistan and we have no objection if bill of lading/airway bill/ truck receipt railway receipt or other documents of title to cargo are drawn in the name of/ to order of M/s ..... and delivered to the above exporter.

SIGNATURE OF THE AUTHORIZED DEALER WITH SEAL

Monthly Statement of Export of Software

Name & Address of Software Exporter _____

Month:_____

S. No.	NTN/ CNIC No. of software exporter	Classification of software exporter (software house/company, freelancer, etc.)	Registration No. & Name of concerned authority/ association, if any.	Name and address of foreign buyer/ importer	Details of the agreement/ invoice (Payment terms, shipment mode, etc.)	Amount of the agreement/ invoice	Description of software exported	Remittance amount (in eq. USD)	Name of the country from which remittance has been received	Remarks, if any
1	2	3	4	5	6	7	8	9	10	11
							Total			

I /we hereby declare/undertake that the information provided above is true and that the proceeds received from the foreign buyer are against export of software. I/we also certify/undertake that the software described above was/will be actually exported. Further, I/we undertake that full export value of the software, as contracted and declaration made in the above mentioned agreement/invoice, has/will be repatriated in the manner specified in the foreign exchange and other relevant rules and regulations.

_____
Authorized Signature(s)
of the Software Exporter or his banker

_____
Checked and verified by
Authorized Dealer

NAME OF AUTHORIZED DEALER .....

ADVANCE PAYMENT

CURRENCY .....

Name and address of Exporter. . . . . .

Name and address of Importer .....

Export of .....
(Description of goods to be exported)

to .....

Amount.....

Date ..... *(Stamp and Signature of the beneficiary of the remittances)*

Date ..... *(Stamp and Signature of the Authorized Dealer)*

FORM OF APPLICATION FOR ENCASHMENT OF FOREIGN EXCHANGE FOR PAYMENT FOR GOODS TO BE EXPORTED

To:

…….
…….
…….
…….

Dear Sir,

I/We hereby tender foreign currency draft/travelers cheques for ……..
(amount of foreign currency)
for encashment. The Rupee proceeds may be paid to ……
(Name and address of the seller)
towards payment of cost of ……
(broad description of commodity)
which I/we have contracted to purchase from them.

Yours faithfully,

Name:
Nationality:
Passport No. and
date of its issue
Foreign Address:

Date ……..

Certified that Rs. ..... (Rupees .....only)

being the equivalent of .....
(Amount of foreign currency)

encashed by ..... holding Passport No. .....
(Name)

issued at ..... on ..... has been credited*/passed
(Place) (Date)

on to ..... for credit to the
(Name of the bank)

account of ..... as payment for export
(Name of the seller)

of ..... to .....
(Commodity) (Name and address of the foreign buyer)

Date: ..... AUTHORIZED SIGNATURE & STAMP

---

* delete whichever is not applicable.

Name and address of the Exporters.
.....

FORM OF THE EXPORT PROCEEDS REALIZATION CERTIFICATE TO BE FURNISHED BY THE AUTHORIZED DEALERS

Export Form No.	Description of commodity exported.	B/L No. and Date and country of destination.	No. and date of invoice with value.	Amount Realized		Date of Realization	1. Freight 2. Commission 3. Insurance	Net FOB Value		Date of submission of triplicate copy/copies to the SBP	Reference of the Schedule/Statement in which transaction has been or will be reported to the SBP
				Foreign Currency	Pakistan Rupees.			Foreign Currency	Pakistan Rupees.		
1	2	3	4	5		6	7	8		9	10

For use of the State Bank of Pakistan.

* Checked and found correct.

* Countersigned subject to detailed postfacto check on receipt of the relevant schedule/Statement from the Authorized Dealer concerned.

.....
Signature with data and Seal.

* Strike out whichever is not applicable.

.....
Signature of Authorized Dealer with Seal and Date.

The Sr. Joint Director/Joint Director/Deputy Director,
Foreign Exchange Operations Department
SBP-Banking Services Corporation

Dear Sir,

In consideration of the State Bank of Pakistan agreeing to countersign the duplicate proceeds realization certificate to be issued to us against 'E' Form No. ..... the original of which has been lost/misplaced, we do hereby agree to hold the said State Bank of Pakistan, its successors and assignees harmless and indemnified from and against all consequences that may arise from its so doing and from the utilization of the original proceeds realization certificate in question either before or after the issuance of the duplicate thereof, and from and against losses, charges and expenses in connection with the same. We further undertake to deliver to you the said proceeds realization certificate if and when the same is found.

2. It may, however, be noted that our liability in the above particular case shall not ordinarily exceed double the amount of the import license obtained there against and for which we do hereby unconditionally authorize the State Bank of Pakistan to deduct double the amount of the face value of the relative export performance license from the future Export Proceeds Realization certificate in respect of the concerned exporter and to authenticate the same for the balance amount only available thereafter and to recover from us all the expenses and damages borne by State Bank of Pakistan in this connection.

Dated the ..... day of ....
(Authorized Dealer)
Bank Common Seal

(NAME OF THE BANK)

(U.S. Dollars in Round Thousand)

STATEMENT FOR THE MONTH ENDED ..... SHOWING THE PARTICULARS OF PROCEEDS STILL TO BE REALIZED AGAINST EXPORT BILLS HELD BY AUTHORIZED DEALERS IN PAKISTAN

	Foreign Currency Bills		Pak Rupee Bills		Total
	Sight Bills.	Usance Bills	Sight Bills.	Usance Bills	
1. Export proceeds due against bills accepted from customers on collection basis.					
2. Export Bills Purchased from customers for which proceeds not yet credited to Authorized Dealer's account abroad.					
3. TOTAL OUTSTANDING EXPORT BILLS.					
BREAK-UP OF OUTSTANDINGS.					
4. **Overdue bills** Actual amount outstanding to be realized on overdue bills					
5. **Bills not yet matured for payment**					
(a) Bills eligible for re-discounting with State Bank of Pakistan but held by the Bank.					
(b) Other bills held by the Bank.					
6. TOTAL					

Note:- Item No. 3 should be equal to item No. 6

Place .....

Date .....

(Stamp and Signature of Authorized Dealer)

STATEMENT SHOWING PARTICULARS OF ALL EXPORT BILLS OUTSTANDING BEYOND THE PRESCRIBED PERIOD OF REALIZATION AS AT……..

To be submitted in duplicate
for each Exchange
Area Office separately.

Sr. No.	Today	E-Form Number	Commodity Code	Unit of Measure	Quantity	Currency Code	Invoice Value	Sales Terms	Dest-City	Dest Country Code	Shipment City	Shipment Date	Due-Date
1	2	3	4	5	6	7	8	9	10	11	12	13	14

Total Amount Realized with in Date	Actual Outstanding Amount	Outstanding Amount in Pak. Rs.	Exporter Name & Address	Exporter National Tax No.
15	16	17	18	19

(i) Exporter-wise totals/grand totals should be given.
(ii) Advance remittances and part realizations should be shown in column '9' and the balance shown as outstanding in column '10'.
(iii) Appropriate remarks in all cases where extension in time is granted by State Bank of Pakistan for realization of overdue export should be made in the remarks column.

Certified that the above information is in respect of all overdue outstanding bills handled by all branches of …….. located in Exchange Area Office …….
(Name of Authorized Dealer)

Place …….
Date……..

(Stamp & Signature of Authorized Dealer)
Countersigned by Head/Principal Office

STATEMENT SHOWING PARTICULARS OF OVERDUE EXPORT CASES CLOSED DURING THE MONTH OF……..

To be submitted in duplicate
for each Exchange
Area Office separately.

Sr. No.	Today	E-Form Number	Commodity Code	Unit of Measure	Quantity	Currency Code	Invoice Value	Sales Terms	Dest-City	Dest Country Code	Shipment City	Shipment Date	Due-Date
1	2	3	4	5	6	7	8	9	10	11	12	13	14

Total Amount Realized with in Date	Actual Outstanding Amount	Outstanding Amount in Pak. Rs.	Exporter Name & Address	Exporter National Tax No.
15	16	17	18	19

Place …….
Date……..

(Stamp & Signature of Authorized Dealer)
Countersigned by Head/Principal Office

Date : _____

EXPORT PERFORMANCE REPORT

Name of the Exporter _____
Address_____

To:
The _____ (Name of AD)
Address_____
_____

We request you to kindly confirm our export performance as per Schedule appended for submission to State Bank of Pakistan for availing 50% commission for retaining in our foreign currency account on additional export performance on 10% over the previous year.

Total export earnings July to June 20…20… (Previous year)		Total export earnings July to June 20…20… (Current year)		Amount paid as Commission	Amount retained in FCA	Net export earnings	Remarks
Foreign Currency	Equivalent US $	Foreign Currency	Equivalent US $				

We confirm that the above statement is correct.

We certify that the export performance of the above exporter routed through our bank.

Signature and Seal of the Exporter_____

Name of Authorized Dealer _____
Signature of the Officer_____
Seal of the Officer _____
Date _____

CONSOLIDATED STATEMENT OF THE EXPORT PERFORMANCE

Name of the Exporter/Group _____

To,

The Director,
Foreign Exchange Operations Department,
SBP-Banking Services Corporation,
Head Office,
Karachi.

S. No.	Name of the AD/Branch	Exporters' Name	Net Export Earnings-July to June 20…20… (Previous year)		Net Export Earnings-July to June 20…20… (Current year)		Net Increase/ Decrease	Remarks
			Foreign Currency	Equivalent U.S. $	Foreign Currency	Equivalent U.S. $		

Statement as per Annexure 'A' enclosed in original. We confirm that the total performance of Exports has been undertaken with the ADs mentioned above and the same have also been verified by the banks concerned. The said export proceeds have also been reported/realized.

In view of the above undertaking/confirmation, we the_____Exporter/Group are entitled for the 50% retention of export proceeds in our foreign currency account maintained with_____in terms of F.E. Circular No._____ dated _____which may please be allowed to be retained by us in our foreign currency account from our export proceeds.

_____
Exporter/Group

STATE BANK OF PAKISTAN
Exchange Policy Department
KARACHI

No. _____ Dated _____

The Manager
_____Bank Limited
_____

Dear Sir,

PRIVATE COMMODITY EXCHANGE ARRANGMENT A/C

M/s._____have entered into a Commodity Exchange Agreement (CEA) dated_____with M/s. _____ of_____and have nominated you as their bankers to maintain the proforma account and handle trade transactions under the above Agreement. You are, therefore, permitted to certify Form 'E' for export transactions. This permission is subject to adherence and compliance of the following conditions: -

1. Exporter shall fill in the complete set of the form 'E' in quadruplicate. Each copy shall be branded as under:-

   "Shipment under Commodity Exchange Agreement dated_____approved by the State Bank of Pakistan vide letter No._____dated_____."

2. The certificate to be given by the Authorized Dealers on page 2 of the Form 'E' shall be substituted by the following wordings:-

   "Certified that the above exporter(s) is/are known to us, that he/they are bonafide businessman/businessmen in Pakistan and that he/they has/have made their own arrangement to realize the export proceeds of the goods declared on the form on the due date for payment or within the period prescribed by the State Bank, whichever is earlier, either through the import of goods from the country of import or in convertible foreign currency."

3. The documents i.e. Bills of Lading, Airway Bills, Railway Receipts, Truck Receipts or any other documents of title to cargo shall be issued to the order of the exporter or the foreign counter-party. The exporter shall also make his own arrangement to dispatch the documents to consignees. The instructions contained in Para 11 Chapter 12 of the Manual ibid shall be deemed to have been rescinded in this case.

4. Similarly, it will be in order for the party in Pakistan to import the goods and to receive the import documents directly from the counter-party. On clearance of the goods, the value of documents as assessed by Customs shall be entered in the account.

5. You will also issue the freight certificate prescribed in para 32 Chapter 12 of the Foreign Exchange Manual for production to the carrier.

6. The exporter shall present a copy of the export invoice alongwith the duplicate and triplicate copies of the 'E' form and a non-negotiable copy of the bill of lading/airway bill etc. to you within a week of the shipment. These documents will be retained by you and necessary entry made in the proforma account. Similarly, he will submit a copy of the import invoice, bill of lading and bill of entry on the basis of which the entry will be passed by you in the proforma account.

7. You will submit a monthly statement in respect of each CEA duly supported by attachments to the Joint Director, Exchange Policy Department, State Bank of Pakistan, _____on the prescribed format (Appendix V-25) in duplicate.

Yours faithfully,

( )
p.Director

(To be submitted in duplicate)

PRIVATE COMMODITY EXCHANGE ACCOUNT UNDER THE AGREEMENT DATED ..... BETWEEN

_____ and _____

(Party in Pakistan) (Foreign party)

STATEMENT FOR THE MONTH OF _____ CURRENCY _____

UNDER SBP APPROVAL NO. _____ DATED _____

DEBITS (EXPORTS)

Date of Shipment	Form 'E' Number	Invoice Value	Description of goods	Code Number	Destination	Country Code
(1)	(2)	(3)	(4)	(5)	(6)	(7)

(NB: Duplicate Form 'E' and Invoice attached).

CREDITS (IMPORTS)

Value assessed by Customs	Date of Bill of Lading	Bill of Entry No. & date	Description of goods	Code No.	Country of export	Country code	Deptt. code
1	2	3	4	5	6	7	8

(**NB:** Photocopy of Invoice/Bill of Lading/Airway Bill and copy of Bill of Entry attached)

SUMMARY SHOWING SETTLEMENT OF ACCOUNT DURING THE MONTH

	DR	**CR**
Opening balance brought forward from the preceding month.	_____	_____
Exports made as detailed above.	_____	_____
Imports as detailed above.		_____
Inward Remittance received as per attached Encashment Certificate(s).		_____
CLOSING BALANCE	_____	_____

Coded

For _____ For and on behalf of _____

(Name of the Bank) (Name of the Bank)

AUTHORIZED SIGNATORY
(FOR USE IN THE STATE BANK)

Total Export during the month _____ Total import during the month _____

Assistant Director/Deputy Director

The Director, Statistics & Data Warehouse Department, State Bank of Pakistan, Karachi.

INTERNET MERCHANT ACCOUNTS
NAME OF THE BANK _____
FOR THE MONTH OF _____

Sr. No.	Account Number	Account Holder/ Merchant Name	Date of Transaction	Country where goods/ services exported	Particulars of transaction	Date Funds Received	Amount in USD	Mode of payment Visa/Master Card	E Form Number	E Form Date
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.
G.Total										

Certified that the information given above is checked and found correct.

Authorized Signature Authorized Signature

Information may be provided merchant wise.

The last date of submission is 7th working day of the succeeding month to which the said return relates.

REGISTRATION CERTIFICATE

"Name of Bank/Branch"

No. ..... Date .....

Certified that M/s. .....
(Name and address of the importers)

have registered with us on ..... , the following Contract/
(Day/Month/Year)

Purchase Order/Indent/Proforma invoice:

(a) Number and date of Contract/Purchase Order/Indent/Proforma invoice.
(b) Particulars of goods.
(c) Name and address of suppliers.
(d) Value of goods to be imported.
(e) Last date for shipment.

Signature and Stamp of Authorized Official

APP. V	27A

NAME OF THE AUTHORIZED DEALER_____

STATEMENT SHOWING THE DETAILS OF ADVANCE PAYMENT MADE FOR IMPORTS UNDER PARA-30, CHAPTER 13 OF FE MANUAL

For the Month_____

Year_____

Sr. No.	Name of Importer	NTN /CNIC	Address of Importer	EIF No.	Amount Remitted (Equivalent USD)	Conversion Rate	Amount in PKR	Date of Remittance	Amount Repatriated (Equivalent USD)
1	2	3	4	5	6	7	8	9	10

Amount Outstanding (Equivalent USD)	Amount in PKR	Due Date for Submission of Import Documents	Actual Date of repatriation of advance payment /Submission of Shipping Documents	No of Days (14)-(9)	Amount of Penalty Recovered	RTGS Advice No.	Date of RTGS	Remarks (if any)
11	12	13	14	15	16	17	18	19

_____

Authorized Signature

(Name and Designation with Seal)

APP. V	28

(To be submitted in duplicate)

The Deputy Director/Joint Director/Sr. Joint Director,
Foreign Exchange Operations Department
SBP-Banking Services Corporation,
……

Dear Sir,

Our ref. No. _____ Dated _____

We request you to allow _____
(Name of the Authorized Dealer with Branch)
to establish letter of credit/register contract with respect to following import:-

1. Name of the Department against whose foreign exchange allocation the L/C is to be established or contract registered. _____
2. Value for which L/C is to be established/contract registered. _____ (Foreign Currency)
3. Rupee equivalent of foreign currency amount given at item (2) above to be debited to our cash foreign exchange allocation. _____ *(amount in rupees to be debited to Foreign Exchange Allocation)
4. Last date of shipment _____
5. Commodity's H.S. Code No. _____

Yours faithfully,

For & on behalf of _____
(Importing Deptt.)

_____
(Name with designation
of Authorized Officials)

SBP-Banking Services Corporation
Foreign Exchange Operations Department

No. _____/ _____ Date: _____

Registration No.

DD/JD/SJD

*To be filled in by SBP-Banking Services Corporation while giving clearance. For conversion, exchange rate ruling on the date of clearance shall apply.

……
(Bank/Branch)

No._____ Dated _____

Certified that freight amounting to Rs…….. is payable in Pakistan as indicated in *Bill of Lading/*Airway Bill No……dated …….. in respect of ……..imported by M/s. …….
(description of imported goods) (importers)
from ……..as per *S.S./M.V. …….
(name/address of sellers)
*…….against *letter of credit No. …….. dated……/*Contract No. …… dated ……. registered by us vide registration No…….. dated …….

**The relative freight invoice No. …….dated……... is attached herewith.

Signature & Name/Designation of Authorized Official with Bank's Stamp/Seal.

*Strike out which is not applicable.
**Delete, if inapplicable.

The Deputy Director/
Joint Director/Sr. Joint Director,
Foreign Exchange Operations Department,
SBP-Banking Services Corporation,
.....

No. .....

Dated .....

Dear Sir,

We hereby authorize the SBP-BSC (Bank) to charge the amount of Rs. .....

..... representing
(Amount in words)

freight to be paid to M/s. ..... for
(Name of the carrier company)

transportation of goods per s.s./m.v. .....
(Name of the vessel)

arriving/arrived on ..... to foreign exchange allocation of .....

for the fiscal year .....

Yours faithfully

Signature .....

Designation .....

FORM OF UNDERTAKING

(To be furnished by the importer for making advance remittances for import)

In consideration of the Authorized Dealer……...
permitting me/us an advance remittance of……..to……..……..
…… I/we hereby undertake that the amount so remitted by me/us will be used solely for the purpose of payment for the goods described below to be imported into Pakistan from ……..in accordance with the regulations in force regarding such imports. I/we declare that the goods will be so imported by me/us on or about…….. and I/we undertake to produce to my Authorized Dealer documentary evidence in respect of goods so imported including the Exchange Control copy of the Customs Bill of Entry and suppliers' invoice in original. I/We further declare that the amount paid by me/us in advance will be deducted from the C&F Invoice value of the goods imported and that the deduction will be shown on the invoice. Further, I/we undertake that in case goods are not received for any reason within the period of four months, the bank as well as I/we will ensure repatriation of the advance payment back.

I/we also undertake that in case goods are not received within the period of four months for any reason, the bank will recover a penalty @1% per month or part thereof on the amount of advance payment from the date of remittance till the date of submission of shipping documents or repatriation of advance payment.

Name and address of the supplier	Invoice value of goods	Quantitative description of goods	Country of origin

Name of the importer …….

Address…… ……

……
Stamp and Signature of the importer.

……..
(*Stamp and Signature of Authorized Dealer)*

Date……

FORM 'EIF'

1 – EIF No & Issuance Date						
2 – Trader's Details				**3 - Bank Details**		
Business Name	**NTN**	**STRN**		**IBAN**	**Authorized Dealer (Bank)**	**City**
Address				**Branch**		
4 – Exporter's / Beneficiary's Details						
Beneficiary's Name & Address				**Country of Beneficiary**		
Exporter's/Shipper's Name & Address				**Country of Exporter**		**Port of Shipment**

5-Total Invoice Value & Currency	**6 - Mode of Import Payment**		**7 - Delivery Terms (Inco-Terms)**
8 - Goods Description	**9 - HS Code(s)**	**10 - Quantity & UOM**	**11- Country of Origin**
1-			
2-			
3-			
12 -Expiry date of EIF	**13- Intended Payment Date**		**14. LC/Contract No.**
15 - Mode of Transport	**16 – Transport Document No. & Date**		**17 -Final Date of Shipment**
18 - Approving Authority Remarks			
19 - In case of special approval obtained from State Bank of Pakistan			
Approval for	**Approval No.**		**Approval Date**

The attention of importers is drawn to sub-section 3 of Section 4 of the Foreign Exchange Regulation Act, 1947. Exchange sanctioned for a particular purpose must be utilized for that purpose only and all conditions attaching to the sanction must be complied with. If any of the prescribed conditions cannot be fulfilled, and as a result the exchange cannot be utilized in whole or in part for the purpose for which it was sanctioned, the unutilized amount must immediately be refunded through an Authorized Dealer.

UNDERTAKING / DECLARATION BY IMPORT

1) I/We hereby apply for permission to remit for payment of import as detailed above and declare :-

a) that the above payment is due and that I/we have not already obtained exchange for payment of these goods nor have I/we made any other application for that purpose;

b) that the amount of foreign exchange mentioned above represents the correct transaction value for these goods on the date of contract in the country of export;

c) that I/we am/are neither connected with the exporters abroad directly or indirectly nor do I/we have any financial or other interest in the exporters abroad.

d) that the payment against imported goods has been or will be made in a manner and within a period as may be specified by the State Bank from time to time.

2) I/We undertake that the remittance being made shall be utilized for the above import and I/We shall clear the goods for consumption in Pakistan within prescribed period.

3) I/We solemnly declare that the statements made in this application are true to the best of my/our knowledge and belief and I/We assume full responsibility for complying with the provisions of the Foreign Exchange Regulation Act, 1947 and rules, orders and directions made or issued thereunder. In case of any misdeclaration or misstatement of above facts, I shall be liable for punishment under the relevant provisions of Foreign Exchange Regulation Act 1947, Anti Money Laundering Act 2010, Customs Act 1969 and Pakistan Penal Code 1860.

CERTIFICATE OF AUTHORISIED DEALER

We hereby certify that the statements made by the applicant in this form are to the best of our knowledge correct and that we have seen documentary evidence in support thereof. The remittance has been made in accordance with method of payment as per existing Foreign Exchange Regulations.

FORM—I

(For imports only)

ORIGINAL—FOR STATE BANK

Application for permission under the Foreign Exchange Regulation Act, 1947 to purchase Foreign Exchange for payment of Imports

If the Importer is income-tax payer, please indicate:-
G.I.R. No……

and the Income tax Circle……

If the Importer is not an income-tax payer, the word 'Nil' should be clearly stated.

Serial No. XYZ 000000

CNIC No. [| | | | | - | | | | | | |]
Place of issue ……..
Date of issue ……
If the applicant/remitter is a corporate body, the word 'Nil' should be clearly stated.
Sales Tax Registration No……

Name & address of
Authorized Dealer……..

I/We the undersigned hereby apply for permission to remit for payment of import as detailed below:-
Amount in words and figures (state currency)……...

Beneficiary's name and address	Indentor's name and Registration No.

Description of goods	ITC No.	Quantity	Port of shipment	Steamer/Airline/Truck Company/By Post

Date of shipment	Invoice value in foreign Currency **(FOB/C & F)**

1. I/We declare :-
   (a) that the above payment is due and that I/we have not already obtained exchange for payment of these goods nor have I/we made any other application for that purpose;
   (b) that the amount of foreign exchange mentioned above represents the correct prevailing market price for these goods on the date of contract in the country of export;
   (c) that I/we am/are neither connected with the exporters abroad directly or indirectly nor do I/we have any financial or other interest in the exporters abroad. (Contd.)

2. I/We undertake that the remittance being made shall be utilized for the above import and I/We shall clear the goods for consumption in Pakistan within four months from the date of this application.

3. I/We solemnly declare that the statements made in this application are true to the best of my/our knowledge and belief and I/We assume full responsibility for complying with the provisions of the Foreign Exchange Regulation Act, 1947 and rules, orders and directions made or issued thereunder.

Name (Block Letters) …….
Full Address ……
……Phone No…….

Stamp & signature of the importer
(To be signed by the Importer or his Authorized Agent)

TO BE COMPLETED BY THE AUTHORIZED DEALER

1. We hereby certify that the statements made by the applicant in this form are to the best of our knowledge correct and that we have seen documentary evidence in support thereof.

2. The remittance has been made in accordance with method of payment as per existing Foreign Exchange Regulations.

Dated ……. Stamp & Signature of Authorized Dealer

(Contd.)

(Valid for 30 days from the date of approval)
STATE BANK OF PAKISTAN CERTIFICATE OF APPROVAL (if required)

Approved for …….
(Amount in words and figures)
Approval No. …….. Date ……..

SEAL AND SIGNATURE

CODING OF THE TRANSACTION BY AUTHORIZED DEALER/STATE BANK

(For SBP use only)

Country from where goods are imported …….

Commodity ……

Department on whose account payment is effected ……

x x o

Amount in figures

Amount in words ……..

Quantity

(Lbs/Tons/Maunds/Bales/Pieces/Bundles/Kgms)

(For SBP use only)

BL/RR/AWB/PPR/TR. No.

Date ……

…….
SIGNATURE & STAMP OF AUTHORIZED DEALER/STATE BANK

NOTES FOR IMPORTERS: (PLEASE READ CAREFULLY)

(a) 'I' Forms are serially numbered and are in sets of four forms in each. The importers should complete and sign the first three copies of the forms and hand them over to the Authorized Dealer (Bank) through whom the remittance is being made without separating the individual copies.

(b) The attention of importers is drawn to sub-section 3 of Section 4 of the Foreign Exchange Regulation Act, 1947. Exchange sanctioned for a particular purpose must be utilized for that purpose only and all conditions attaching to the sanction must be complied with. If any of the prescribed conditions cannot be fulfilled, and as a result the exchange cannot be utilized in whole or in part for the purpose for which it was sanctioned, the unutilized amount must immediately be refunded through an Authorized Dealer.

FORM—I

_____(For imports only)

DUPLICATE—For Authorized Dealer to be used for processing Exchange Control copy of Bill of Entry/Certified Invoice.

Application for permission under the Foreign Exchange Regulation Act, 1947 to purchase Foreign Exchange for payment of Imports

If the Importer is income-tax payer, please indicate:-

Serial No. XYZ 000000

G.I.R. No……

and the Income tax Circle……

If the Importer is not an income-tax payer, the word 'Nil' should be clearly stated.

CNIC No. | | | | | | – | | | | | | | – | |

Place of issue ……..

Date of issue ……

If the applicant/remitter is a corporate body, the word 'Nil' should be clearly stated.

Sales Tax Registration No……...

Name & address of Authorized Dealer……..

I/We the undersigned hereby apply for permission to remit for payment of import as detailed below:-

Amount in words and figures (state currency)……...

Beneficiary's name and address	Indentor's name and Registration No.

Description of goods	ITC No.	Quantity	Port of shipment	Steamer/Airline/Truck Company/By Post

Date of shipment	Invoice value in foreign Currency **(FOB/C & F)**

(Contd.)

1. I/We declare :-
   (a) that the above payment is due and that I/we have not already obtained exchange for payment of these goods nor have I/we made any other application for that purpose;
   (b) that the amount of foreign exchange mentioned above represents the correct prevailing market price for these goods on the date of contract in the country of export;
   (c) that I/we am/are neither connected with the exporters abroad directly or indirectly nor do I/we have any financial or other interest in the exporters abroad.

2. I/We undertake that the remittance being made shall be utilized for the above import and I/We shall clear the goods for consumption in Pakistan within four months from the date of this application.

3. I/We solemnly declare that the statements made in this application are true to the best of my/our knowledge and belief and I/We assume full responsibility for complying with the provisions of the Foreign Exchange Regulation Act, 1947 and rules, orders and directions made or issued thereunder.

Name (Block Letters) …….
Full Address ……
……Phone No…….

Stamp & signature of the importer
(To be signed by the Importer or his Authorized Agent)

TO BE COMPLETED BY THE AUTHORIZED DEALER

1. We hereby certify that the statements made by the applicant in this form are to the best of our knowledge correct and that we have seen documentary evidence in support thereof.

2. The remittance has been made in accordance with method of payment as per existing Foreign Exchange Regulations.

Dated ……. Stamp & Signature of Authorized Dealer

(Contd.)

(Valid for 30 days from the date of approval)
STATE BANK OF PAKISTAN CERTIFICATE OF APPROVAL (if required)

Approved for …….
(Amount in words and figures)
Approval No. …….. Date ……..

SEAL AND SIGNATURE

Exchange Control copy(ies) of Customs Bills of Entry for consumption in Pakistan or Certified Invoice(s) listed below covering the full quantity of goods specified on the reverse have been found in order and processed in the light of instructions issued by State Bank.

PARTICULARS OF CUSTOMS BILL(S)
OF ENTRY FOR CONSUMPTION
OR CERTIFIED INVOICE(S)

Index No.	Date	Details of goods covered

Date……..

(Note: To be filled in if applicable) SIGNATURE AND STAMP OF AUTHORIZED DEALER

NOTES FOR IMPORTERS : (PLEASE READ CAREFULLY)

(a) 'I' Forms are serially numbered and are in sets of four forms in each. The importers should complete and sign the first three copies of the forms and hand them over to the Authorized Dealer (Bank) through whom the remittance is being made without separating the individual copies.

Exchange sanctioned for a particular purpose must be utilized for that purpose only and all conditions attaching to the sanction must be complied with. If any of the prescribed conditions cannot be fulfilled, and as a result the exchange cannot be utilized in whole or in part for the purpose for which it was sanctioned, the unutilized amount must immediately be refunded through an Authorized Dealer.

FORM—I

(For imports only)

TRIPLICATE—For Authorized Dealer's record.

Application for permission under the Foreign Exchange Regulation Act, 1947 to purchase Foreign Exchange for payment of Imports

If the Importer is income-tax payer, please indicate:-

Serial No. XYZ 000000

G.I.R. No……

and the Income tax Circle……

If the Importer is not an income-tax payer, the word 'Nil' should be clearly stated.

CNIC No. | | | | | | – | | | | | | | – | |

Place of issue ……..

Date of issue ……

If the applicant/remitter is a corporate body, the word 'Nil' should be clearly stated.

Sales Tax Registration No……...

Name & address of Authorized Dealer……..

I/We the undersigned hereby apply for permission to remit for payment of import as detailed below:-

Amount in words and figures (state currency)……...

Beneficiary's name and address	Indentor's name and Registration No.

Description of goods	ITC No.	Quantity	Port of shipment	Steamer/Airline/Truck Company/By Post

Date of shipment	Invoice value in foreign Currency (FOB/C & F)

1. I/We declare :-
   - (a) that the above payment is due and that I/we have not already obtained exchange for payment of these goods nor have I/we made any other application for that purpose;
   - (b) that the amount of foreign exchange mentioned above represents the correct prevailing market price for these goods on the date of contract in the country of export;
   - (c) that I/we am/are neither connected with the exporters abroad directly or indirectly nor do I/we have any financial or other interest in the exporters abroad.

(Contd.)

2. I/We undertake that the remittance being made shall be utilized for the above import and I/We shall clear the goods for consumption in Pakistan within four months from the date of this application.

3. I/We solemnly declare that the statements made in this application are true to the best of my/our knowledge and belief and I/We assume full responsibility for complying with the provisions of the Foreign Exchange Regulation Act, 1947 and rules, orders and directions made or issued thereunder.

Name (Block Letters) …….
Full Address ……
……Phone No…….

Stamp & signature of the importer
(To be signed by the Importer or his Authorized Agent)

TO BE COMPLETED BY THE AUTHORIZED DEALER

1. We hereby certify that the statements made by the applicant in this form are to the best of our knowledge correct and that we have seen documentary evidence in support thereof.

2. The remittance has been made in accordance with method of payment as per existing Foreign Exchange Regulations.

Dated ……. Stamp & Signature of Authorized Dealer

(Contd.)

(Valid for 30 days from the date of approval)
STATE BANK OF PAKISTAN CERTIFICATE OF APPROVAL (if required)

Approved for …….
(Amount in words and figures)
Approval No. …….. Date ……..

SEAL AND SIGNATURE

CODING OF THE TRANSACTION BY AUTHORIZED DEALER/STATE BANK

(For SBP use only)

Country from where goods are imported …….

Commodity …… x x o

Department on whose account payment is effected ……

Amount in figures

Amount in words ……..

Quantity

(Lbs/Tons/Maunds/Bales /Pieces/Bundles/Kgms) (For SBP use only)

BL/RR/AWB/PPR/TR. No.

Date …… ……
SIGNATURE & STAMP OF AUTHORIZED DEALER/STATE BANK

NOTES FOR IMPORTERS: (PLEASE READ CAREFULLY)

(a) 'I' Forms are serially numbered and are in sets of four forms in each. The importers should complete and sign the first three copies of the forms and hand them over to the Authorized Dealer (Bank) through whom the remittance is being made without separating the individual copies.

(b) The attention of importers is drawn to sub-section 3 of Section 4 of the Foreign Exchange Regulation Act, 1947. Exchange sanctioned for a particular purpose must be utilized for that purpose only and all conditions attaching to the sanction must be complied with. If any of the prescribed conditions cannot be fulfilled, and as a result the exchange cannot be utilized in whole or in part for the purpose for which it was sanctioned, the unutilized amount must immediately be refunded through an Authorized Dealer.

FORM—I

(For imports only)

QUADRUPLICATE—For submission to State Bank in case of Imports where documents not retired.

Application for permission under the Foreign Exchange Regulation Act, 1947 to purchase Foreign Exchange for payment of Imports

If the Importer is income-tax payer, please indicate:-

Serial No. XYZ 000000

G.I.R. No…….

and the Income tax Circle……

If the Importer is not an income-tax payer, the word 'Nil' should be clearly stated.

CNIC No | | | | | | – | | | | | | | – | |

Place of issue ……..

Date of issue ……

If the applicant/remitter is a corporate body, the word 'Nil' should be clearly stated.

Sales Tax Registration No……..

Name & address of Authorized Dealer……..

I/We the undersigned hereby apply for permission to remit for payment of import as detailed below:-

Amount in words and figures (state currency)……...

Beneficiary's name and address	Indentor's name and Registration No.

Description of goods	ITC No.	Quantity	Port of shipment	Steamer/Airline/Truck Company/By Post

Date of shipment	Invoice value in foreign Currency **(FOB/C & F)**

1. We hereby certify that the statements made by the applicant in this form are to the best of our knowledge correct and that we have seen documentary evidence in support thereof.
2. The remittance has been made in accordance with method of payment as per existing Foreign Exchange Regulations.
3. We undertake to submit the original copy of Form I when the documents are retired by the importer.

Importer's particulars

Name (Block Letters) ……

Full Address ……...

……..Phone No……...

Dated…….

Stamp & Signature of Authorized Dealer

(P.T.O)

CODING OF THE TRANSACTION BY AUTHORIZED DEALER/STATE BANK

(For SBP use only)

Country from where goods are imported …….

Commodity ……

Department on whose account payment is effected ……

x x o

Amount in figures

Amount in words ……..

Quantity

(Lbs/Tons/Maunds/Bales/Pieces/Bundles/Kgms) (For SBP use only)

BL/RR/AWB/PPR/TR. No.

Date ……

…….

SIGNATURE & STAMP OF AUTHORIZED DEALER/STATE BANK

FORM OF STATEMENT FOR DEPOSITING RUPEE EQUIVALENT OF THE FOREIGN CURRENCY UNDER AID/LOANS/CREDITS

Name and address of the designated bank .....

(To be submitted in **quintuplicate).**

PA/Loan/Credit No. .....

Heads of Account to which the amount tendered is to be credited .....

Date .....

.....

Letter of Credit Number and date	Bill No.	Name and Address of Importer	SBP Authorization		Description of commodity	Carrier's name with the date of Bill of Lading	Bill Amount	Payment Abroad		
			No.	Date			Foreign Currency	Date of Disbursement/ Reimbursement	Rate	Rupee equivalent
1	2	3	4	5	6	7	8	9	10	11

Amount payable by the Importer			Difference between the amounts under Item No. 11 & 14 or amount of Penalty recovered	Amount of remuneration retained by the Bank	Net amount to be deposited by the bank after retaining remuneration pointed in column 16	Date of receipt of Documents in Pakistan	Date of Negotiation	Date of Deposit with the State Bank	Detailed reason for delay, if any, in depositing the amount
Date and number of forward contract	Rate	Amount in Rupees							
12	13	14	15	16	17	18	19	20	21

Bank ……

Running Sr. No. ……. Date…….

STATEMENT OF MERCHANTING TRADE

Intermediary Trader ……

Special Foreign Currency Account No. (if applicable) ……..

Value of goods shipped under L/C/Advance remittance (as per third country suppliers' invoice)……..

Value of Documents retired under Back-to-Back L/C (as per Pakistani intermediary's invoice)……..

Difference retained in Pakistan ……. ……
(amount) (Percentage)

Commodity……Tonnes……..

RECEIPTS			PAYMENTS		
Date of Credit	Particulars	Amount	Date of Debit	Particulars	Amount
XXX	(a) Proceeds of L/C or Advance Remittance	……	XXX	Withdrawals (conversion in rupees)	
	(b) Interest accrued…..	……		(a) L/C opening charges	…….
				(b) Intermediary commission	…….
				(c) Others	…….
			XXX	(d) Remittance for documents retired under back-to-back L/C	……..
				(e) Balance converted in rupees	…….
Total Balance		…… NIL	Total Balance		…… NIL

For or on behalf of……

PS: Copies of Proceeds Realization Certificate(s) enclosed.

PROCEDURE FOR REPORTING REMITTANCES TO THE FOREIGN EXCHANGE OPERATIONS DEPARTMENT

1. Inward remittance on account of proceeds of L/C /Advance remittance amounting to……. reported on Schedule 'J' with supporting Form 'R' at Sr. Number……...…….for the month of……

2. Inward remittance on account of withdrawals/conversion into Pak. Rupees amounting to ……reported on Schedule 'J' duly supported by Form 'R' at Sr. No…… for the month of……

3. Outward remittance amounting to ……reported at Sr. No…… on Schedule 'E-4' for the month of…….

4. The transaction for receipt and payments under this arrangement will be reported under Code No. 9961 and No. 1961 respectively supported by Form 'R' on Schedule 'J' and through separate covering statement on Schedule 'E-4'. Reporting as at items (1) and (3) will be required where foreign currency accounts procedure is **NOT USED while reporting as at item (2) required where foreign currency accounts procedure is used.**

Monthly Statement of Earnings and Expenses of Foreign Airlines Operating in Pakistan

Name of Foreign Airline		**NTN:**		
Name of General Sales Agent		**NTN:**		
Country of Origin				
For the month ending		**Date**	**Month**	**Year**
Description		**Description Code**	**Amount in Rupees**	
1. Opening Balance Cr.		20201		
1. Opening Balance Dr.		20202		
Earnings/ Receipts				
2. Passenger fares earned from international routes:		20239		
2.1. From residents in Pakistan		20240		
2.1.1. Passenger tickets sold and utilized		20203		
2.1.2. Passenger tickets sold and un-utilized		20241		
2.1.3. Realization of tickets sold on credit		20242		
2.1.4. Excess baggage collection		20205		
2.1.5. Less: refund		20206		
2.2. From non-residents on travel in Pakistan		20243		
2.2.1 Passenger collection including excess baggage		20204		
2.2.2. Less: refund		20244		
3. Freight collection		20245		
3.1. On exports from Pakistan		20246		
3.1.1. Freight on exports - earned receipts		20207		
3.1.2. Freight on exports - advance receipts		20247		
3.1.3. Realization of credit on freight		20209		
3.1.4. Less: refund		20248		
3.2. On imports to Pakistan		20249		
3.2.1. Freight on imports - earned receipts		20210		
3.2.2. Freight on imports - advance receipts		20250		
3.2.3. Realization of freight on credit		20251		
3.2.4. Less: refund		20211		
3.3. On mail and courier services to residents		20212		
4. Charter of aircrafts with crew to Pakistani airlines		20252		
5. Realization of credit on charter of aircrafts with crew to Pakistani airlines		20253		
6. Charter of aircrafts without crew to Pakistani airlines		20254		
7. Realization of credit on charter of aircrafts without crew to Pakistani airlines		20255		
8. Inward receipts		20213		

9. Other earnings/ receipts	20214	
10. Total earnings/ receipts (sum 2 to 9)	**20215**	
Expenses		
11. Fuel (bunkers) purchased in Pakistan	20221	
12. Aircraft handling charges	20256	
13. Catering and other supplies on board	20222	
14. Advance payments for fuel, catering and other supplies	20257	
15. Payment of credit for fuel, catering and other supplies	20258	
16. Repair and maintenance of aircrafts	20223	
17. Repair and maintenance of aircrafts - advance payment	20259	
18. Payment of credit for repair and maintenance of aircrafts	20260	
19. Crew layover expenses in Pakistan (hotel bill, transport, etc.)	20224	
20. Agent fees on passenger tickets sales	20261	
21. Other agent fees	20262	
22. Office expenses	20263	
23. Port charges and landing fees	20264	
24. Advertising	20265	
25. Charter of aircraft with crew	20266	
25.1. For passage	20226	
25.2. For freight	20267	
26. Charter of aircraft with crew - advance payment	20268	
27. Payment of credit for charter of aircraft with crew	20269	
28. Charter of aircraft without crew (operating lease)	20270	
29. Charter of aircraft without crew - advance payment	20271	
30. Payment of credit for charter of aircraft without crew	20272	
31. Call centre services	20273	
32. Outsourced services	20274	
33. Federal excise duty, withholding tax etc.	20275	
34. Corporate/ income tax expenses	20276	
35. Other expenses/ payments	20225	
36. Total expenses (sum 11 to 34)	**20227**	
37. Amount due for remittance (plus or minus 1+10-36)	20230	
38. Amount remitted	20231	
39. Closing balance Cr.	20234	
39. Closing balance Dr.	20235	
Amount due for remittance	20232	
Closing balance net	20236	

Memorandum Item:	**Opening Balance**	**Increase**	**Decrease**	**Other Changes**	**Closing Balance**
40. Accounts receivable from residents of Pakistan (outstanding position)					
40.1. Passenger tickets sold on credit to residents of Pakistan					
40.2. Outstanding freight on exports					
40.3. Outstanding freight on imports					
40.4. Charter of aircrafts with crew to Pakistani airlines					
40.5. Charter of aircrafts without crew to Pakistani airlines					
40.6. Other receivable					
41. Security deposits of GSA with non-residents					
42. Accounts payable to residents of Pakistan (outstanding position)					
42.1. Un-utilized passenger tickets sold to residents of Pakistan					
42.2. Advance freight on exports					
42.3. Advance freight on imports					
42.4. Payable for fuel, catering and other supplies					
42.5. Payable for repair and maintenance of aircrafts					
42.6. Payable for charter of aircraft with crew					
42.7. Payable for charter of aircraft without crew					
42.8. Other payable					

Monthly Statement of Earnings and Expenses of Foreign Shipping Companies

Name of Foreign Shipping Company/ Agent		
Name of Principal (Foreign Shipping Line)		
Country		
Period (dd-Mon-yyyy)		
Description	**Code**	**Amount in PKR**
No. of vessels handled during the month	20101	
1. Opening Balance - Credit	20102	
1. Opening Balance - Debit	20103	
Earnings/Receipts		
2. Freight Collection	20125	
2.1. Freight on exports	20104	
2.2. Freight on imports	20105	
2.3. Mail or Courier Services to non-residents	20124	
3. Charter of ships/vessels with crew to Pakistan	20126	
4. Charter of ships/vessels without crew to Pakistan	20127	
5. Inward remittances	20106	
6. Other receipts/receivables	20107	
7. Total Earnings/Receipts	20108	
Expenses		
8. Fuel purchased	20110	
9. Catering and other supplies on board	20128	
10. Repair of ships	20111	
11. Crew expenses during transit stay in Pakistan (hotel bill, transport, etc.)	20113	
12. Agency commission / Fee	20112	
13. Office expenses	20129	
14. Landing/ handling charges/port charges	20130	
15. Entertainment & advertisement	20131	
16. Charter of ship with crew for freight	20132	
17. Charter of ship without crew	20133	
18. Call centre services in Pakistan	20134	
19. Outsource services in Pakistan	20135	
20. Tax expenses in Pakistan	20136	
21. Other expenses	20137	
22. Less Refund	20138	
23. Total Expenses	20114	
24. Net (earnings less expenses) (7-23)	20139	
Amount available for repatriation	20115	
25. Repatriation	20117	
26. Closing Balance - Credit	20118	
27. Closing Balance - Debit	20119	

Memorandum Item:	Code	Amount in PKR
28. Account receivable of foreign shipping line (Outstanding Position)	20140	
28.1. Freight receivable on exports	20141	
28.2. Freight receivable on imports	20142	
28.3. Receivable on account of charter of ships/vessels with crew	20143	
28.4. Receivable on account of charter of ships/vessels without crew to Residents of Pakistan	20144	
28.5. Other receivable	20145	
29. Account payable of foreign shipping line (Outstanding Position)	20146	
29.1. Payable for fuel, catering and other supplies	20147	
29.2. Payable for repair of Ship	20148	
29.3. Payable for charter of ship with crew	20149	
29.4. Payable for charter of ship without crew	20150	
29.5. Tax payable	20151	
29.6. Other payable	20152	

FORM OF STATEMENT OF PASSAGES SOLD/TICKETS ISSUED BY THE STEAMSHIP/AIRLINE COMPANY

(1) Name and address of the Steamship/Airline Company ……. (2) Period ……

Sl. No.	Ticket No. and date of issue	Name of Traveler	Nationality and whether resident of Pakistan or non-resident	Date of Departure	Name of Ship or Airline	Destination to which travelling	Route of journey	Particulars of Passport/Pilgrim Pass			If sanction of State Bank obtained on form 'P' quote the reference of SBP's sanction	Amount	Remarks
								Date	No.	By whom granted			
1	2	3	4	5	6	7	8	9	10	11	12	13	14

I/We hereby declare that the passengers whose particulars are given above actually travelled on the dates shown in column No. 5 and the above passages have been properly recorded in our books.

Date ……..

……
Stamp and Signature of the Steamship/Airlines Company

DETAILS OF CREDIT BOOKINGS OF PASSAGE AND FREIGHT REALIZED DURING THE MONTH OF……

Particulars of the Outstanding Credit Statement in which the bookings Made on credit were reported	
Month	Serial number at which the credit item appears in the outstanding statement

Freight/passage amount realized

A. EXPORTS

Total Rs.

B. IMPORTS

Total Rs.

C. PASSAGES Total Rs.

Grand Total Rs.

(In Duplicate)

Disbursement Statement

1. Airport Expenses
(i) Catering
(ii) Handling (where no regular strength maintained)
(iii) Landing charges
(iv) Repairs and maintenance
(v) Sundries

2. Agency Commission
(i) Passage
(ii) Cargo

3. Income Tax

4. Crew Expenses:
(i) Hotel Bill
(ii) Transport
(iii) Daily allowances
(iv) Sundries

5. Office Expenses
(i) Salaries, overtime
(ii) Provident Fund
(iii) Taxes
(iv) (a) Office rent
(b) House rent of accommodation, if provided to staff
(v) Telephone and telex
(vi) Printing and Stationery
(vii) Postages and Telegrams
(viii) Conveyance and Company Car
(ix) Advertisement and Publicity
(x) Office Equipments
(xi) Electric/Gas consumption charges
(xii) Sundries

6. Entertainment

7. Furniture and Fixture

8. Customs Duty etc., on Gift articles

9. Local purchases of gift articles

10. Miscellaneous **Total: -**

FORM OF MONTHLY STATEMENT OF CANCELLATIONS OR REFUNDS OF PASSAGES TO BE SUBMITTED BY THE STEAMSHIP/AIRLINE COMPANY

1. Name and address of the Steamship/Airline Company .....for the month of ..... .

Sl. No.	Name of Traveler	Passport or Pilgrim Pass No.	Particulars of monthly return in which booking was reported to the State Bank of Pakistan	Amount refunded	Remarks

We hereby certify that the above refunds have been given by us as per regulation of the State Bank of Pakistan.

Date .....

.....
(Stamp and Signature of the Steamship/Airline Company)

DETAILS OF OUTSTANDING BOOKINGS OF PASSAGE AND FREIGHT ON CREDIT FOR THE MONTH OF .....

S.No.	Name of shipper/ importer/passenger	Particulars of form "F.P. Airlines" in which the credit booking reported		Outstanding freight and passage amount
		Month	Serial number of the passage freight manifest at which the credit item appears	

A. Exports — Total Rs.

B. Imports — Total Rs.

C. Passages — Total Rs.

Grand Total Rs.

SUMMARY STATEMENT TO BE SUBMITTED (IN DUPLICATE) BY THE SHIPPING AGENTS OF FOREIGN VESSELS IN RESPECT OF FREIGHT AND PASSAGE COLLECTIONS AND DISBURSEMENTS IN PAKISTAN FOR THE VESSEL SAILED ON _____

1. Name of Foreign Shipowners/Operators _____ 2. Address_____

1.	2.	3.		4.					5.	6.			7.	8.
Sr. No.	Name of Vessel	Date of Arrival	Date of Sailing	Collections as per Import/Export Manifests, Passage Statements and Bank Certificate enclosed					Gross Collection Column 4 (a+b+c)	Deductions/Disbursements as per Statement attached			Net Balance Payable/ Receivable Column 5-6 (c)	Amount Applied for Remit-tance
				Freight		Passage	Inward Remittance	Passage/ Freight as per credit realized during the month		Outstanding Passage/ Freight on Credit	Total of all Disbursements whether paid or due but not yet paid	Total (a+b)		
				Export	Import									
				a	b	c	d	e		a	b	c		

Encl: 1. Supporting columns 4 (a to e)
2. Supporting columns 6 (a & b)

……..…….
Stamp & Signature of the Steamship Company/Agent

DETAILS OF CREDIT BOOKINGS OF PASSAGE AND FREIGHT REALIZED DURING THE MONTH OF .....

Particulars of the Outstanding Credit Statement in which the bookings made on credit were reported		Name of the vessel and Shipowners/ operators.	**Freight/ Passage amount realized .**
Month	Serial number at which the credit item appears in the Outstanding Credit Statement		

A. EXPORTS

Total Rs.

B. IMPORTS

Total Rs.

C. PASSAGES

Total Rs.

Grand Total Rs.

(In Duplicate)

BREAKDOWN OF DISBURSEMENTS

S.S./m.v. ..... Nett. Regd. Tons ..... Arrived ..... Sailed .....

1. Port Charges:

a. Port dues
b. Pilotage inward
c. Pilotage outward
d. Berth fees
e. Mooring fees
f. Tugs (inwards)
g. Tugs (outwards)
h. Hire of KPT Launch
i. Water supply
j. Hire of cranes
k. Overtime/Sunday/Holiday
l. Bunkering Pipe Line charges
m. Sundries

2. Customs Charges:

a. Light dues
b. Customs Penalty
c. Customs Overtime
d. Sundries

3. Cargo Handling Costs:

	Tons discharged	**Tons loaded**
a. Contract rates (Stevedoring)		
b. Additional labour and overtime		
c. Lighterage		
d. Cartage		
e. Cleaning holds		
f. Dunnage supplied		
g. Tallying		
h. Sundries		

4. Victualling and Stores Supplied

5. Repairs

P.T.O.

6. Other Vessel Expenses:

a. Cables and Telexes
b. Postage
c. Stationery
d. Advances to Master (Reference of State Bank approval number and date should be given).
e. Wages paid to Pakistani crew
f. Staff Overtime and Conveyance
g. Medical fees
h. Fumigation
i. Laundry
j. Cost of passages
k. Sundries

7. Freight and Passage Brokerage:

a. Rebate paid to Exporters & Importers
b. Freight Brokerage
c. Passage Brokerage

8. Agency Fees and Commission:

a. Inward Cargo
b. Outward Cargo
c. Passage
d. Mails

9. Miscellaneous Expenses:

a. Advertising and Publicity
b. Sundries

10. Income Tax

11. Provision for other Disbursements due but not yet paid

12. Refund/Cancellation of Passages/Freight Bookings

DETAILS OF OUTSTANDING BOOKINGS OF PASSAGE AND FREIGHT ON CREDIT FOR THE MONTH OF .....

Sr. No.	Bill of Lading Number	Port of discharge/ destination	Date of sailing	Name of the Vessel and shipowners/ operators	Outstanding freight and Passage amount

A. EXPORTS

Total Rs.

B. IMPORTS

Total Rs.

C. PASSAGES Total Rs.

. **Grand Total Rs**.

Statement of Freight Collected and/or Payable Abroad Against Shipments Made During the Month Ended .....20…….

Name of the freight forwarder: _____
Address & Phone No: _____
_____

Sr. No.	Name of the overseas agent/ shipping company	Details of export shipments		Destination	Freight paid to *shipping/airline company locally in Rs.	Freight payable abroad to shipping/ airline companies in FCY (US$)
		MAWB/ MBL No. & date	HAWB/ HBL No. & date			
(1)	(2)	(3)	(4)	(5)	(6)	(7)

(i) Shipments of earlier months for which payments were to be received at the beginning of the month
(1)
(2)
(3)
(4)

(ii) Shipments sent during the month
(1)
(2)
(3)
(4)

Notes: (i) Copies of relevant MAWB/MBL & HAWB/HBL should accompany Part 'A'

Place:

Stamp

_____
(Signature of authorized official)
Name:_____
Designation:_____

Date:

* Strike out whichever is not applicable.

Note: - 'BBA' means Break Bulk Agent

Certificate from the Chartered Accountant

Certified that the particulars furnished above have been verified with reference to the books of account and related agreements/contracts.

Place:
Date:

Signature:
Status:

Chartered Accountant Registration No._____

Statement of Freight Payable against Imports on Consolidated Basis by Air/Sea
During the Month Ended ……20……..

Name of the Overseas Consolidator: _____

Name and address of the Break-bulk Agent in Pakistan: _____

Particulars of Inbound Shipments on Prepaid/Charges Collected Basis

(in foreign currency)

Sr. No.	MAWB/MBL		Particulars of HAWB/HBL*				Freight payable abroad to shipping/ airline companies in FCY (US$)
	No.	Date	HAWB / HBL		Prepaid	Charges collected	
			No.	Date			
1	2	3	4	5	6	7	8

The aggregate amount required to be remitted is …… (in foreign currency as shown in Form - M)

Note: Separate statements should be submitted for air/sea cargo consolidations.

Place: _____ **STAMP** _____
(Signature of Authorized Official)

Date _____ Name: _____
Designation: _____

* Strike out whichever is not applicable.

Statement of Air/Sea* Cargo Consolidation handled by
…….. during the month ……..20….

(Name and address of Consolidator)

_____

Sr. No of Consolidation	Name and address of Exporter	GD&E Form No.	Country of destination of the cargo	Freight collected from Exporter	HBL HAWB No. Date	MBL/ MAWB No.	Name of carrier Airline/ Shipping Company	Freight paid to Airline Shipping company locally in Rs.	Freight payable abroad to shipping/airline companies in FCY (US$)	Name and address of Break-bulk Agent abroad	Remarks
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
1.											
2.											
3.											
4.											
								Total			

We confirm that the above statement is a complete list of all cargo handled on consolidations basis (LCL) during the month certify that all applicable FX Regulations have been adhered to.

Copies of original *MAWB/HBLs with related *HAWBs/MBL are enclosed.

Place: ……...

Date : ……

Stamp

……...
(Signature of Authorized Official)
Name: ……..
Designation: ……
* IATA Code No. ……..

* Strike out whichever is not applicable.

Monthly Statement of Earnings and Expenses of Domestic Shipping Companies

Source Code:		
Source Name:		
Country Code:		
Country:		
Period (dd-mon-yyyy):		
Description	**Code**	**Amount in PKR**
1. Balance brought forward (Opening Balance) Cr	120112	
1. Balance brought forward (Opening Balance) Dr	120142	
Earnings/ Receipts		
2. Passenger fare earned from non-residents	120146	
2.1. Passenger tickets sold and utilized	120147	
2.2. Passenger tickets sold and un-utilized	120148	
2.3. Realization of tickets sold on credit	120149	
2.4. Excess baggage collection	120150	
2.5. Less: refund	120151	
3. Earnings from freight services	120152	
3.1. On exports from Pakistan	120153	
3.1.1. Freight on exports - earned receipts	120101	
3.1.2. Freight on exports - advance receipts	120154	
3.1.3. Realization of freight on credit	120155	
3.1.4. Less refund	120138	
3.2. On imports to Pakistan	120156	
3.2.1. Freight on imports - earned receipts	120102	
3.2.2. Freight on imports - advance receipts	120157	
3.2.3. Realization of freight on credit	120158	
3.2.4. Less refund	120159	
3.3. Operation in Pakistan for non-residents	120160	
3.4. On other foreign routes from non-residents	120103	
3.5. Mail and courier services provided to non-residents	120104	
4. Charter of ships without crew (operational lease)	120105	
5. Charter of ships with crew	120161	
5.1. Time charter of ships with crew	120162	
5.2. Voyage charter of ships with crew	120163	
6. Demurrage charges	120164	
7. Container detention charges	120165	
8. Fleet loans	120166	
8.1. Under hire purchase	120167	
8.1.1. Long term	120168	
8.1.2. Short term	120169	
8.2. Under finance lease	120170	

8.2.1. Long-term	120108	
8.2.2. Short-term	120109	
8.3. Others	120171	
8.3.1. Long-term	120110	
8.3.2. Short-term	120111	
9. Non-fleet loans	120172	
9.1. Long-term	120173	
9.2. Short-term	120174	
10. Other earnings/ receipts (please specify)	120106	
11. Total Earnings/ Receipts (2 through 10)	**120114**	
Expenses		
12. Imports	120175	
12.1. Engines, parts etc	120117	
12.2. Fuel through L/C	120118	
12.3. Others	120116	
13. Fuel (bunkers) purchased from abroad	120120	
14. Ship handling charges	120176	
15. Catering and other supplies on board - due	120121	
16. Advance payments for fuel, catering and other supplies	120177	
17. Payment of credit for fuel, catering and other supplies	120178	
18. Repair and maintenance of ships	120122	
19. Repair and maintenance of ships - advance payment	120179	
20. Payment of credit for repair and maintenance of ships	120180	
21. Crew layover expenses abroad (hotel bill, transport, etc.)	120123	
22. Agency fees	120124	
23. Office expenses abroad	120181	
24. Port charges	120182	
25. Advertisement abroad	120183	
26. Charter of ship with crew	120184	
26.1. For passage	120185	
26.2. For freight	120125	
26.2.1. Time charter	120186	
26.2.2. Voyage charter	120187	
27. Charter of ship with crew - advance payment	120188	
28. Payment of credit for charter of ship with crew	120189	
29. Charter of ship without crew (operating lease)	120126	
30. Charter of ship without crew - advance payment	120190	
31. Payment of credit for charter of ship without crew	120191	
32. Demurrage charges	120192	
33. Insurance payments	120193	
34. General average payments	120194	
35. Purchase of ship	120127	
36. Debt servicing - fleet loans	120195	

36.1. Under hire purchase	120196	
36.1.1. Principal	120197	
36.1.1.1. Long term	120132	
36.1.1.2. Short term	120198	
36.1.2. Interest	120133	
36.2. Under finance lease	120199	
36.2.1. Principal	120200	
36.2.1.1. Long term	120134	
36.2.1.2. Short term	120136	
36.2.2. Interest	120135	
36.3. Others	120201	
36.3.1. Principal	120202	
36.3.1.1. Long term	120128	
36.3.1.2. Short term	120130	
36.3.2. Interest	120129	
37. Debt servicing - non-fleet loans	120203	
37.1. Principal	120204	
37.1.1. Long term	120205	
37.1.2. Short term	120206	
37.2. Interest	120207	
38. Call centre services - non-residents	120208	
39. Outsource services - non-residents	120209	
40. Tax expenses abroad	120210	
41. Other expenses n.s.e. to non-residents	120211	
42. Total Expenses (12 through 41)	**120139**	
43. Balance (earnings less expenses) (7-33)	120212	
44. Repatriation	120141	
45. Balance carried over (Closing Balance) Cr	120143	
46. Balance carried over (Closing Balance) Dr	120113	

Memorandum Item:

47. Amount receivable of Domestic Shipping from non-residents (Outstanding Position)	**Opening Balance**	**Increase**	**Decrease**	**Other Changes**	**Closing Balance**
47.1. Passenger tickets sold on credit					
47.2. Freight on credit					
47.3. Receivable on account of charter of ship					
47.4. Other receivable					
48. Accounts payable of Domestic Shipping to non-residents (Outstanding Position)	**Opening Balance**	**Increase**	**Decrease**	**Other Changes**	**Closing Balance**
48.1. Un-utilized passenger tickets sold					
48.2. Advance freight					
48.3. Payable for fuel, catering and other supplies					
48.4. Payable for repair and maintenance of ships					
48.5. Payable for charter of ship with crew					
48.6. Payable for charter of ship without crew					
48.7. Interest due but not paid					
48.8. Payable under hire-purchase					
48.9. Payable under financial lease					
48.10. Other payable					
49. Freight on exports receivable from residents (Outstanding Position)					

Monthly Statement of Earnings and Expenses of Domestic Airlines

Source Code		
Source Name		
Country Code		
Country		
Period (dd-mon-yyyy)		
Description	**Code**	**Amount in PKR**
1. Balance brought forward (Opening Balance) Cr	120201	
1. Balance brought forward (Opening Balance) Dr	120202	
Earnings/ Receipts		
2. Passenger fares earned from non-residents:	120262	
2.1. On international routes:	120263	
2.1.1. Passenger tickets sold and utilized	120203	
2.1.2. Passenger tickets sold and un-utilized	120264	
2.1.3. Realization of tickets sold on credit	120265	
2.1.4. Excess baggage collection	120205	
2.1.5. Less: refund	120206	
2.2. On domestic routes:	120266	
2.2.1. Passenger tickets sold and utilized	120204	
2.2.2. Passenger tickets sold and un-utilized	120267	
2.2.3. Realization of tickets sold on credit	120268	
2.2.4. Excess baggage collection	120269	
2.2.5. Less: refund	120270	
3. Earnings from freight services	120271	
3.1. On exports from Pakistan	120272	
3.1.1. Freight on exports - earned receipts	120207	
3.1.2. Freight on exports - advance receipts	120273	
3.1.3. Realization of freight on credit	120274	
3.1.4. Less: refund	120211	
3.2. On imports to Pakistan	120275	
3.2.1. Freight on imports - earned receipts	120208	
3.2.2. Freight on imports - advance receipts	120276	
3.2.3. Realization of freight on credit	120277	
3.2.4. Less: refund	120278	
3.3. Operation in Pakistan for non-residents	120209	
3.4. Other foreign routes	120210	
3.5. On mail and courier services to non-residents	120212	
4. Charter of aircrafts without crew (operational lease)	120213	
5. Realization of credit on charter of aircraft without crew	120279	
6. Charter of aircrafts with crew	120280	
7. Realization of credit on charter of aircraft with crew	120281	
8. Revenue earned by non-resident airlines on tickets sold	120282	
9. Commission earned by non-resident airlines on tickets sold	120283	
10. Fleet loans	120284	

10.1. Under hire purchase	120285	
10.1.1. Long-term	120286	
10.1.2. Short-term	120287	
10.2. Under finance lease	120288	
10.2.1. Long-term	120289	
10.2.2. Short-term	120290	
10.3. Others	120291	
10.3.1. Long-term	120217	
10.3.2. Short-term	120218	
11. Non-fleet loans	120292	
11.1. Long-term	120293	
11.2. Short-term	120294	
12. Disinvestment of direct investment abroad	120295	
13. Dividends on direct investment abroad	120296	
14. Reinvested earnings (+ / -) on direct investment abroad	120297	
15. Exports of engines, parts etc.	120298	
16. Other earnings/ receipts (please specify)	120214	
17. Total Earnings (2 through 16)	**120219**	
Expenses		
18. Imports	120299	
18.1. Engines, parts etc	120224	
18.2. Fuel through L/C	120225	
18.3. Others	120221	
19. Fuel (bunkers) purchased from abroad	120228	
20. Aircraft handling charges	120300	
21. Catering and other supplies on board	120229	
22. Advance payments for aviation fuel, catering and other supplies	120301	
23. Payment of credit for aviation fuel, catering and other supplies	120302	
24. Repair and maintenance of aircrafts	120230	
25. Repair and maintenance of aircrafts - advance payment	120303	
26. Payment of credit for repair and maintenance of aircrafts	120304	
27. Crew layover expenses abroad (hotel bill, transport, etc.)	120231	
28. Agent fees on passenger fares	120232	
29. Other Agent fees	120305	
30. Office expenses abroad	120306	
31. Port charges and landing fees	120307	
32. Advertising abroad	120308	
33. Charter of aircraft with crew	120309	
33.1. For passage	120233	
33.2. For freight	120234	
34. Charter of aircraft with crew - advance payment	120310	
35. Payment of credit for charter of aircraft with crew	120311	
36. Charter of aircraft without crew (operating lease)	120235	
37. Charter of aircraft without crew - advance payment	120312	
38. Payment of credit for charter of aircraft without crew	120313	

39. Purchase of aircraft	120236	
40. Debt servicing - fleet loans	120314	
40.1. Under hire purchase	120315	
40.1.1. Principal	120316	
40.1.1.1. Long-term	120241	
40.1.1.2. Short-term	120317	
40.1.2. Interest	120242	
40.2. Under finance lease	120318	
40.2.1. Principal	120319	
40.2.1.1. Long-term	120243	
40.2.1.2. Short-term	120244	
40.2.2. Interest	120245	
40.3. Others	120320	
40.3.1. Principal	120321	
40.3.1.1. Long-term	120322	
40.3.1.2. Short-term	120323	
40.3.2. Interest	120324	
41. Debt servicing - non-fleet loans	120325	
41.1. Principal	120326	
41.1.1. Long-term	120327	
41.1.2. Short-term	120328	
41.2. Interest	120329	
42. Call centre services	120330	
43. Outsource services abroad	120331	
44. Tax expenses abroad	120332	
45. Salaries paid to non-residents	120261	
46. Direct investment abroad	120333	
47. Reinvestment of earnings (+ / -) abroad	120334	
48. Other expenses abroad	120335	
49. Total Expenses (18 through 48)	**120247**	
50. Balance (earnings less expenses) (13-42)	120336	
51. Repatriation	120249	
52. Balance carried over (Closing Balance) Cr	120250	
53. Balance carried over (Closing Balance) Dr	120251	

Memorandum Item:

54. Account receivable of Pakistani Airline from non-residents (Outstanding Position)	**Opening Balance**	**Increase**	**Decrease**	**Other Changes**	**Closing Balance**
54.1. Passenger tickets sold on credit					
54.2. Freight on credit					
54.3. Receivable on account of charter of aircraft					
54.4. Other receivable					
55. Accounts payable of Pakistani Airline to non-residents (Outstanding Position)	**Opening Balance**	**Increase**	**Decrease**	**Other Changes**	**Closing Balance**
55.1. Un-utilized passenger tickets sold					
55.2. Advance freight					
55.3. Payable for aviation fuel, catering and other supplies					
55.4. Payable for repair and maintenance of aircrafts					
55.5. Payable for charter of aircraft with crew					
55.6. Payable for charter of aircraft without crew					
55.7. Interest due but not paid					
55.8. Payable under hire-purchase					
55.9. Payable under financial lease					
55.10. Other payable					
56. Freight on exports receivable from residents (Outstanding Position)					

FORM OF APPLICATION
FOR REMITTANCE OF EXPORT CLAIMS

1. Name and address of the exporter .....
.....
.....

2. 'M' form for ..... (Amount) Relative 'E' Form Nos.

Short weight	.....
Commission	.....
Brokerage	.....
Quality Claims	.....
Damage	.....
Arbitration/Control fees	.....

3. Particulars of documents attached in support of application:-

1)	4) .....
2)	5) .....
3)	6) .....

We declare that the full proceeds of exports in respect of which the above claims have arisen have been realized through..... (Name of Authorized Dealer) and that the claims are genuine and no remittance has been made against these claims through any other source.

Date .....

.....
(Stamp & Signature of Exporters)

(FOR USE BY THE AUTHORIZED DEALER)

CERTIFICATE

No. ..... Date .....

Certified that the remittance application and supporting documents have been checked and found in order. Remittance of ..... may be considered.

Stamp and Signature of Authorized Dealer

'M' form for ..... (Amount) a/c. ..... is returned herewith duly approved/under objection as under:

Assistant Director

SPACE FOR USE BY
STATE BANK OF PAKISTAN

(To be submitted in duplicate)

The Director,
Exchange Policy Department,
(Investment Division)
State Bank of Pakistan,
Karachi.

THROUGH: _____
(Name of the Authorized Dealer)

Dear Sir,

ACKNOWLEDGEMENT OF AGREEMENT FOR TRANSFER OF TECHNOLOGY (ROYALTY/TECHNICAL ASSISTANCE)

In terms of the instructions contained in Chapter 14 of the Foreign Exchange Manual (2015 Edition) we submit two sets of the agreements duly authenticated for remittance of Royalty/Franchise and Technical fee (Strike out whichever not applicable) executed on_____withM/s._____ _____ (Name and Address of Foreign Collaborator) for your acknowledgement. The salient features of the agreement are as under:-

1. Type of industry with location.
2. Total Royalty/Franchise & Technical Fee payable.
3. Duration of Agreement/period covered.
4. Mode of Payment:-
    a. Lump sum rate of installment.
    b. Amount of down payment, if any.
    c. Recurring payment with rate, if any.

We further undertake that:-

a. The remittances effected under the Agreement will be net of taxes.

b. Engagement of foreign nationals will be subject to the Government Regulation and permission of the Board of Investment will be obtained wherever necessary.

c. The services of the national carrier (PIA) will be utilized for the experts' journey from abroad to Pakistan and back upto the maximum possible extent.

d. Payment on account of training expenses of Pakistan personnel will not exceed the training quota enunciated in Chapter 17 of the Foreign Exchange Manual (2015 Edition).

e. The agreement would be governed under Pakistan Laws.

f. No Penal interest on delayed payment will be remitted.

We further state that our Firm / Company is registered in Pakistan as manufacturing concern.

STATE BANK OF PAKISTAN
EXCHANGE POLICY DEPARTMENT
(INVESTMENT DIVISION)
KARACHI.

NO.INT:/
Dated: _____

The Agreement in question has been acknowledged subject to understanding given above and subject to submission of documents for post facto checking in terms of Chapter 1 4 of the Manual.

DEPUTY DIRECTOR.

The Manager,

_____Bank Limited

_____

APPLICATION FOR REMITTANCE OF ROYALTY/FRANCHISE AND TECHNICAL FEES FOR THE PERIOD……

Name of the applicant Co.	Name and address of the beneficiary to whom Royalty/Technical Fees is payable	Permission/Acknowledgement letter No. & date of Board of Investment/SBP.	Ex-factory/net sales value on which Royalty/Technical fees is calculated	Rate of Royalty/ Technical fee	**AMOUNT REMITTABLE**(Pak. Rupees)			Remarks
					Gross Amount	*Taxes payable if any	Net amount	
1	2	3	4	5	6	7	8	9

CERTIFICATE

Certified that the amount of royalty/technical fee payable for the period…….to the beneficiary mentioned in column 2 is the net amount payable to them after deduction of tax liability, if any payable thereon as certified by the auditors and has been calculated strictly in accordance with terms of the agreement approved by the Government/acknowledged by the State Bank mentioned in column 3 above.

We undertake that if any discrepancy is subsequently found in the amount of remittance made by us we shall arrange for repatriation of the amount remitted in excess by us forth with on receipt of instruction from the State Bank of Pakistan and shall also render ourselves liable for action under the Foreign Exchange Regulation Act, 1947.

SIGNATURE OF THE REMITTER

P.T.O.

Certified that we have verified the information furnished in the above statement and found them to be correct.

AUTHORIZED DEALER **AUDITORS**

Date of remittance	Amount of remittance allowed		Code
	Foreign Currency	Pak. Rupees	

AUTHORIZED DEALER

" In case it is claimed that Royalty/Franchise and Technical Fee is exempt from levy of tax, a separate certificate from the Income Tax Officer concerned to the effect that the same is exempt from levy of Pakistan taxes, should be enclosed."

APPLICATION FOR REMITTANCE OF DIVIDENDS TO NON-RESIDENT SHAREHOLDERS OF M/S. …… FOR THE YEAR/FOR THE PERIOD ENDED …….

Sl. No.	Name, nationality and address of the shareholder	No. and value of shares held (separate for each class of shares)	State Bank's approval No. and date	Dividends		Amount of Income-Tax/Super-Tax due on the dividend	Amount of other tax liability if any, payable	Net remit-table amount of dividend	Amount remitted in foreign currency		Reference of currency statement on which remittance is reported
				Rate	Amount				Currency	Amount	
1	2	3	4	5		6	7	8	9		10

Certified that:-

1. (i) the shares mentioned in column 3 are held by non-resident shareholders other than Indian and stand registered at their foreign address (other than India) as given in column 2, with the approval of the State Bank of Pakistan,

(ii) the above shares are held by the non-resident shareholders mentioned above on the basis of repatriation of dividends as per State Bank's letter number and date quoted against each,

(iii) the above dividends have been declared by the Directors/shareholders of the company in the Board of Directors/ Annual General Meeting held on……out of net profit of the company for the year/period ended…….. as disclosed by the audited Annual/Interim Profit and Loss Account for the year/period ended……..after making adequate provision for tax and other liabilities or any other un-distributed profits as are available for declar-

ation of dividends.

2. We undertake that in case any discrepancy is subsequently detected by the State Bank of Pakistan in the remittance of dividends made by us, we shall forthwith on demand by the State Bank of Pakistan arrange for repatriation of the relative amount to Pakistan by our foreign collaborators/shareholders concerned through normal banking channel.

3. Two copies of the audited annual/interim Profit and Loss Account and Balance Sheet together with two certified companies of directors/shareholders resolution declaring the above dividends are enclosed.

Place……..date…….. M/s……..

Certified that the information as furnished above by the company including those given against items(i) to (iii) of paragraph-1 of the above certificate has been verified by us and found to be correct.

Date…… **SIGNATURE OF AUDITORS**

APP. V	54A

Monthly Statement of Remittances of Dividends/ Profit and Disinvestment to Non-Resident Shareholders

Month	Designated Bank Name	Company Name	NTN	CPEC/ Non-CPEC	S. #	Shareholder Name	Shareholder Nationality (Country Code)	Shareholder Address	No. of Shares Held		% of Total Equity	Value of Shares Held	SBP's Shares Reg. No. and Date
									Initial Subscription	Bonus			

Dividends/ Profit		Disinvestment	PKR Amount of Applicable Taxes	Net Remittable PKR Amount		Dividend/ Profit Remitted in FCY		Disinvestment Remitted in FCY	
Rate (%)	PKR Amount	PKR Amount		Dividend/ Profit	Disinvestment	Currency Code	Amount	Currency Code	Amount

Settlement of Non-Life Claims (Including facultative reinsurance business)

To,

The State Bank of Pakistan,
.....

Dear Sirs,

In support of our application on Form 'M' (enclosed) for the remittance of ..... to ..... we make the following declaration:- (amount of currency) (Country)

1. Policy

(a) Policy No. .....
(b) Amount and currency of issue .....
(c) Date and place of issue .....
(d) Insured voyage (for marine policies) .....
(e) Claim Payable at .....

2. Premia

(a) Country of collection .....
(b) Currency of collection .....

3. Claim

(a) Cause of Loss .....
(b) Amount of Claim admitted .....
(c) No. of 'E' form .....

4. Reference of Revolving Letter of Credit against which claim settled by their foreign agent .....

5. Name and address of

(a) the claimant .....
(b) the claim settling Agent (where applicable) .....

6. Whether the applicant Company has been registered in Pakistan under the Insurance Act .....

For and on behalf of .....

Name and address in Pakistan of the applicant Company.
.....
.....

.....
(Stamp and Signature of the Insurance Company)

Date .....

SETTLEMENT OF LIFE CLAIMS OUTSIDE PAKISTAN
OR FOR TRANSFER OF RESERVE TO COUNTRIES OUTSIDE PAKISTAN

To,

The State Bank of Pakistan,
.....

Dear Sirs,

In support of our application on Form 'M' (enclosed) for the remittance of ..... to ..... we make the following declaration:-
(amount of currency)
(Country)

1. Policy
- (a) Life Policy No.
- (b) Amount and currency of issue
- (c) Date and place of issue
- (d) Type of policy e.g., Endowment etc.

2. Premia
- (a) Country of collection
- (b) Currency of collection

3. Payment
- (a) Reason for payment (e.g., claim, transfer of reserve etc.)
- (b) Name of assured
- (c) Nationality of assured
- (d) Date of departure from Pakistan
- (e) Place of permanent residence
- (f) Branch of the applicant Company (or agent) through whom claim will be paid or through whom the reserve will be transferred (where applicable)

4. Whether the applicant company has been registered in Pakistan under the Insurance Act.

For and on behalf of .....

Name and address in Pakistan of the applicant Company.

.....
.....
Date .....

.....
(Stamp and Signature of the Insurance Company)

DECLARATION TO BE MADE BY POLICY-HOLDERS FOR REMITTANCE OF PREMIA TOWARDS LIFE ASSURANCE POLICIES EXPRESSED IN FOREIGN CURRENCIES

1. Full name and permanent address in Pakistan of the assured .....

2. The name and address of the Insurance Company with which the policy was taken out .....

3. The date of taking out of the policy .....

4. The amount for which the policy has been taken out .....

5. Type of policy, give particulars such as life endowment, educational etc., state whether with or without profit: .....

6. The amount of premium intended to be remitted stating whether it is being paid on monthly, quarterly, half-yearly or yearly basis .....

7. The period that will be covered by the premium giving the commencing and ending dates .....

8. The date of maturity of the policy .....

9. Name and full address of assignee/nominee in Pakistan or outside Pakistan .....

I hereby declare that I am a Pakistani domiciled in Pakistan and that my life assurance policy No. ..... in respect of which the above particulars are furnished, was taken out on ..... and that the policy is in full force now and not lapsed or become paid-up.
(date)

I further declare that proposed remittance of premium towards this pertains to the current period and does not include any post premium payable.

In consideration of the State Bank having permitted me to remit premium on my policy referred to above, I undertake to bring to Pakistan the proceeds of the policy mentioned above on its maturity or its surrender value or any claims arising there-under through an authorized dealer in Pakistan within one month of my becoming owner thereof.

Date .....

……
(Signature of the applicant)

FACULTATIVE REINSURANCE BUSINESS (PREMIA)

(Not to be used if settlement for Premia and Claims is made on an account basis)

To,

The State Bank of Pakistan,
.....

Dear Sirs,

In support of our application on Form 'M' (enclosed) for the remittance of ..... (amount of currency) to ..... (Country) we make the following declaration:-

1. (a) Date and place of issue of reinsurance Policy .....

i. A certified copy of the reinsurance acceptance note endorsed .....

2. The currency in which reinsurance is effected .....

3. Name and address of the beneficiary .....
.....
.....

4. Whether the applicant Company has been registered in Pakistan under the Insurance Act .....

We undertake to receive payment of any claim under the reinsurance through an Authorized Dealer in Foreign Exchange. We also certify that the requirement of compulsory reinsurance with the Pakistan Insurance Corporation to the extent of 30% has been complied with.

For and one behalf of .....

Name and address in Pakistan of the applicant Company.
.....
.....

Country of Incorporation
.....

.....
(Stamp and Signature of the Insurance Company)

Date .....

TREATY REINSURANCE BUSINESS SETTLEMENT OF ACCOUNT

To,

The State Bank of Pakistan,
.....

Dear Sirs,

In support of our application on Form 'M' (enclosed) for the remittance of ..... to ..... we make the following declaration:-
(amount of currency)
(Country)

1. **Currency in which reinsurance has been effected** **.....**

2. **Class of business covered** **.....**

3. (a) Date of submission of last quarterly statement of the Reinsurance Account to State Bank giving particulars of the forwarding letter .....

(b) An up-to-date Proforma statement of the account signed by the Manager or an authorized Officer of the Company is attached .....

4. **Name and address of the beneficiary** **.....**

5. **Whether the applicant Company has been registered in Pakistan under the Insurance Act** **.....**

It is certified that the requirement of compulsory cession of 30% with the Pakistan Insurance Company Ltd. has been complied with. It is further certified that the rates charged for reinsurance premia and reinsurance commission are strictly in accordance with the treaty terms. We undertake to submit quarterly statements of our above reinsurance account regularly to the State Bank, and recover claim/profit commission through an Authorized Dealer in Foreign Exchange. It is certified that reinsurance permia is being regularly received through normal banking channels.

For and on behalf of .....

Name and address in Pakistan of the applicant Company.
.....
.....

Country of Incorporation
.....

.....
(Stamp and Signature of the Insurance Company)

Date .....

Surplus Funds—Non-Life Business

To,

The State Bank of Pakistan,

…….

Dear Sirs,

In support of our application on Form 'M' (enclosed) for the remittance of ……..
(amount of currency)

to……. we make the following declaration:-
(Country)

Statement of Surplus Funds in the form prescribed is enclosed.

1. **Name and address of the Head Office of the Company to whom remittance is being made** ……

2. **Country of Incorporation** ……

1. **Whether the Company is registered with the Government of Pakistan under the Insurance Act** ……

2. **Full particulars (Amount and Currency) of last remittance of surplus funds, quoting the date of the approval of the State Bank of Pakistan** ……

3. **If no provision for Taxation has been shown in the statement (enclosed) reasons for not having made such as provision** ……

We confirm that this remittance is on account of surplus funds representing Fire, Marine and General business (other than Life) only.

For and on behalf of……...

Name and address in Pakistan of the applicant Company.

……..

…….

…….

…….

(Stamp and Signature of the Insurance Company)

Date ……

(Enclosure)

SURPLUS FUNDS NON-LIFE BUSINESS

Statement of Surplus Funds relating to the period ..... to .....

	Fire	Marine	Miscellaneous	Total	
CREDITS					
1. Balance from previous application un-remitted	Rs.	Rs.	Rs.	Rs.	
2. (a) Payments of losses made on behalf of Branch by H.O.	Rs.	Rs.	Rs.	Rs.	
(b) Less recoveries made on behalf of Branch by H.O.	Rs.	Rs.	Rs.	Rs.	
3. Remittance from Head Office					
4. Premiums:					
(i) Written direct in Pakistan	Rs.	Rs.	Rs.	Rs.	
(ii) Received on Reinsurance accepted locally	Rs.	Rs.	Rs.	Rs.	
(iii) Less: Paid on Reinsurance ceded locally	Rs.	Rs.	Rs.	Rs.	
5. Income on Investments held by Local Branch in Pakistan					
6. Outstanding Loss Reserve for the period ending B/F	Rs.	Rs.	Rs.	Rs.	
7. Premium Reserve B/F for the period ending	Rs.	Rs.	Rs.	Rs.	Rs. .....
DEBITS					
8. Commission:					
(i) Paid on direct business	Rs.	Rs.	Rs.	Rs.	
(ii) Paid on Reinsurance accepted locally	Rs.	Rs.	Rs.	Rs.	
(iii) Less: Received on Reinsurance ceded locally	Rs.	Rs.	Rs.	Rs.	
9. Losses:					
(a) Total gross direct claims:-					
(i) Paid in Pakistan	Rs.	Rs.	Rs.	Rs.	
(ii) Paid abroad by H.O. [contra to 2 (a)]	Rs.	Rs.	Rs.	Rs.	Rs. .....
(b) Paid on Reinsurance accepted locally	Rs.	Rs.	Rs.	Rs.	
(c) Less received on Reinsurances ceded locally	Rs.	Rs.	Rs.	Rs.	
10. Payments made by Local Branch on behalf of H.O. on account of					
(i) Losses	Rs.	Rs.	Rs.	Rs.	
(ii) Any other payments	Rs.	Rs.	Rs.	Rs.	
11. Expenses of Management					
12. Outstanding Loss Reserve C/F					
13. Premium Reserve C/F for the year ending the date of statement					
14. Income Tax and Super Tax paid for Assessment year	Rs.	Rs.	Rs.	Rs.	
Add: Provision for Taxation for the period	Rs.	Rs.	Rs.	Rs.	
Less: Refund of Provision for corresponding assessments year.....	Rs.	Rs.	Rs.	Rs.	Surplus Rs.
15. Remittances made during the period:					
(i) Approval No. ..... Dt.	.....	.....	.....	.....	
(ii) Approval No. ..... Dt.	Rs.	Rs.	Rs.	Rs.	
(iii) Approval No. ..... Dt.					

Stamp & Signature of the Insurance Company

Date .....

Note : Item No. 9 (a) (ii) of the form should be shown as contra of item 2 as a whole (i.e. item 2(a) minus item 2 (b)

APPLICATION FOR TRANSFER OF CAPITAL/SAVINGS OF FOREIGN NATIONALS RETIRING PERMANENTLY FROM PAKISTAN

To,

State Bank of Pakistan,
Exchange Policy Department.
.....

Through: .....
(Authorized Dealer in Foreign Exchange)

Dear Sirs,

I hereby apply for permission to remit the sum of Rs. ..... to ..... in (country) respect of my savings for the period of my stay in Pakistan from ..... to .....

2. I give below the following information in respect of my income and expenses etc., during my stay in Pakistan from ..... to .....*/during my last 10 years of stay in Pakistan from ..... to .....

(i) My total income in Pakistan and/or funds brought into Pakistan from abroad through normal banking channel during the above period were as under:-

(a)	Total amount of pay and allowances received during the period from ..... to	Rs. .....
(b)	Total amount of Provident Fund, bonus and other gratuitous payments (not included in sub-para above) received	Rs. .....
(c)	Funds brought into Pakistan from abroad through normal banking channel	Rs. .....
		Total: Rs. .....

(ii) Amount of sale-proceeds of my locally purchased and imported household goods as also the sale-proceeds of my investments in National Investment Trust Units and other securities made for availing of Income Tax relief are given below:-

P.T.O.

*in case where the period of stay is more than 10 years

(a) Sale-proceeds of locally purchased articles Rs. .....

(b) Sale-proceeds of imported articles Rs. ....

ii. Sale-proceeds of National Investment Trust Units/ National Defence Savings Certificates/Income Tax Bonds or other certificates Rs. .....

Total : Rs. .....

(iii) My expenses etc., during my stay in Pakistan from ..... to ..... were as under:-

(a) Maintenance and other expenses including private travel expenses etc., incurred in Pakistan Rs. .....

(b) Family remittances against family maintenance permits and leave salary remittances etc., made Rs. .....

(c) Any other expenditure/commitment not covered under (a) and (b) above Rs. .....

Total: Rs. .....

3. I confirm that I am a citizen of ..... and that I hold Passport No. ..... issued by the Government of ..... The cost of return passage for myself and my family has been/ is being paid by the employer/my-self.

4. I have been working in Pakistan:-

*(a) in the public sector with ..... which is a Government or Semi-Government Department. (Name of the employer)

*(b) in the private sector with ..... with the permission of Board of Investment.

P.T.O

*(c) as self-employed person in Pakistan with the permission of Board of Investment.

5. I hereby declare that I will be permanently retiring from Pakistan within 6 months i.e. by . ..... and that I have not applied to any other office of the State Bank for similar remittance facility.

6. I declare and undertake that in the event of there being any change in my present plans to leave Pakistan permanently, I shall immediately notify the State Bank, giving reference to this application. I shall also arrange immediately to resell the foreign exchange if any drawn by me under this application to an Authorized Dealer in foreign exchange in Pakistan in compliance with Sub-Section 3 of Section 4 of Foreign Exchange Regulation Act, 1947.

7. Necessary supporting documents as prescribed in Annexure 'A' to this application form are enclosed.

Yours faithfully,

Signature .....

Name .....

Full residential address in Pakistan

.....

Occupation .....

Date .....

*Strike out whichever is not applicable.

EMPLOYER'S CERTIFICATE

Certified that we are the employers of Mr./Mrs./Miss. ..... and that we have separately issued to him/her a certificate showing the amount of pay and allowances etc., paid to him/her by us during the period of his/her employment with us from ..... to .....

Signature of the employer with their stamp

Date .....

P.T.O

AUTHORIZED DEALER'S CERTIFICATE

We hereby certify that the statements made above are to the best of our knowledge and belief correct.

Stamp and Signature of the Authorized Dealer

Date .....

LIST OF DOCUMENTS TO BE SUBMITTED IN SUPPORT OF THE APPLICATION FOR TRANSFER OF CAPITAL ASSETS/SAVINGS OF FOREIGN NATIONALS RETIRING PERMANENTLY FROM PAKISTAN

1. A certificate from the employer showing:-

(i) Net salary and allowances for each year.

(ii) Provident Fund and leave salary paid on retirement.

(iii) Bonus and other gratuitous payments for each year.

(iv) Whether the cost of passage for self and family is being paid by the employer.

In case where the period of stay exceeds 10 years, the employer's certificate should cover the period of last 10 years. Similar certificate for an earlier period than 10 years may be called for by the State Bank in certain cases, after scrutiny, if necessary. A certified true copy of the service contract approved by the Board of Investment/Government/Semi-Government Department should be produced in support of the above.

When any of the above payments are not covered by the relative service contract, a certified copy of the resolution of the Board of Directors of the company/special sanction of the Government/Semi-Government Department concerned should be submitted.

In case of persons employed in the private sector, certified true copies of the relative permission letters for employment issued by the Board of Investment should be attached. Persons employed with the Government/Semi-Government Departments, should produce from their Departments authorization letter for charging the amount of net remittable savings to their respective foreign exchange allocation.

2. In case of self-employed persons carrying on business/profession in Pakistan, final income tax assessment order and form should be produced in lieu of the above documents alongwith certified true copy of the permission letter of the Board of Investment.

3. Bank's encashment certificate evidencing receipt of funds if any from abroad.

4. Statement of sale proceeds realized in respect of locally purchased articles of the value of Rs. 2500/- or more showing:-

(a) Description
(b) Purchase price
(c) Date of purchase
(d) Date of sale
(e) Sale proceeds realized

Relative sale receipts or their certified true copies should be produced.

P.T.O.

5. A statement of sale proceeds realized in respect of articles imported/brought from abroad of the value of Rs. 2500/- or more showing:-

(a) Description
(b) Landed cost in Pakistan
(c) Date of their import
(d) Date of their sale
(e) Sale proceeds realized

Relative import documents or Form 'A' and relative sale receipts or their certified true copies should be produced.

6. An Authorized Dealer's certificate in regard to the applicant's investment in N.I.T. and other Government Securities made for availing of income tax relief showing also the amount realized from the sale proceeds and income accrued on the investments.

7. Bank's certificate showing:-

(a) Total amount of remittances made on account of family maintenance.
(b) Total amount of remittances made on account of leave salary.

In case where the period of stay exceeds 10 years, the bank's certificate should cover the period of last 10 years. Where necessary the State Bank may ask for a certificate to cover earlier period also.

8. A statement of Bank account for the last two years prior to the date of the application with explanation of credit entries of Rs. 2500/- or more excepting those relating to payment of the monthly pay and allowances.

9. Application for transfer of actuarial reserve and relative insurance record in respect of insurance policy if any, is required to be submitted to the State Bank through the insurance company concerned.

FORM OF APPLICATION FOR PRIVATE REMITTANCE BY FOREIGN NATIONALS TO COUNTRIES ABROAD

To,

State Bank of Pakistan,
Exchange Policy Department.

Dear Sirs,

I hereby make application through my bankers for the grant of a permit authorizing me to remit the sum of ..... per month which is ..... per cent of my net monthly income to ..... for a period of twelve months.

2. I declare that:-

* (a) my net salary per month receivable in Pakistan during the next twelve months after taxation and other deductions will be Rs. ..... and in support of this statement, I append a certificate signed by a responsible official of the Company/Branch/Organisation by whom I am employed in Pakistan.

** (b) I am the owner/partner of ..... and I certify that my net income in
(Name of the Company)
Pakistan from this and other sources in Pakistan, during the next twelve months after taxation will not be less than Rs. ..... per annum and in support of the statement I am enclosing for your inspection and return the Income Tax Assessment Order for the year .....

(c) I have been continuously residing in Pakistan since ..... and to the best of my knowledge and belief I shall continue to reside in Pakistan until .....

(d) I am single/married and the following members of my family who are dependent on my income are staying with me in Pakistan.

Name	Relationship	Age
1.		
2.		
3.		

I undertake to report to the State Bank of Pakistan the particulars of my family members who may join me subsequently.

(e) The following members of my family who are dependent on my income are residing at .....
(Name of the foreign country)

1.
2.
3.
4.

(f) My monthly financial commitments at home amount to .....

* Please see instruction No. 1 at the bottom of this form.
** Strike out if not applicable.

(g) After making the remittances applied for the rupee balance out of my monthly income will be adequate to cover my and my family's living and other expenses in Pakistan.

3. I Confirm that:-

(a) I am a citizen of ..... and hold passport as per details below:-
  (i) Passport No. .....
  (ii) Issued by the Government of ..... at ..... on .....
  (iii) Place of birth as per passport .....
  (iv) Residence as per passport .....

(b) I hold stay permit No. ..... dated ..... valid upto ..... issued by ..... for staying in Pakistan.

My Passport is submitted to my bankers for certifying the particulars stated above.

(c) all remittances against the permit applied for will be made from savings from my current Pakistan rupee income and that the remittances will not involve any payment to any person directly or indirectly on behalf of any other resident of Pakistan.

(d) necessary permission of the Board of Investment, Government of Pakistan(Letter of appointment from the Government/Semi-Government Departments) in regard to my employment in Pakistan has been obtained vide their reference No. .....dated ..... (copy enclosed).

I further confirm that I have not applied to any other office of State Bank of Pakistan for similar remittance facilities.

I declare that my total salary, allowance etc., in connection with the services rendered in Pakistan are being received by me in Pakistan and that no part of my emoluments is being received by me in foreign currency or in any foreign country.

Yours faithfully,

Date .....

Name in full ..... Signature of the applicant
Full residential address in Pakistan .....
.....
Occupation .....

P.T.O.

CERTIFICATE REQUIRED UNDER PARA 2 (a)

We, ... are employers of Mr./Mrs./Miss .....and certify that he/she has been employed by us with the prior approval of the Board of Investment, Government of Pakistan, vide their letter No. .....dated ..... (original enclosed for reference and return). We hereby further certify that subject to his/her remaining in our employment his/her net salary during the next twelve months will be Rs. ..... per month as detailed below: (Not applicable in the case of foreign nationals employed by Government and Semi- Government Departments).

Gross monthly Income

(a)	Pay		Rs. .....
(b)	Allowance		Rs. .....
Less:			
(1)	Income Tax		Rs. .....
(2)	Provident Fund		Rs. .....
(3)	Recoveries of Advances		Rs. .....
(4)	House Rent etc.		Rs. .....
(5)	Others including entertainment allowance, transport allowance, servant allowance, etc.		Rs. .....
		Total:	Rs. .....
	Net monthly income		Rs. .....

In addition to the above he/she gets the following facilities:-

(a)
(b)
(c)

We further certify that to the best of our knowledge and belief the declarations made by the applicant are true and no material fact has been distorted or suppressed.

We also undertake to inform the State Bank of Pakistan if the applicant ceases to be in our employment in Pakistan or if any material change in the circumstances contained in his declaration comes to our knowledge.

Name, Designation, Stamp and Signature of Employer

Date .....

CERTIFICATE BY THE AUTHORIZED DEALER

We hereby certify that the above statements are to the best of our knowledge correct and that we have examined the passport of the applicant and the details given in para 3 (b) are correct.

Date ..... Stamp and Signature of Authorized Dealer

IMPORTANT INSTRUCTIONS

(i) In the case of a person who has not been resident in Pakistan for a period of at least six months a certificate from applicant's employer certifying that the applicant has been appointed to their regular staff in Pakistan should be produced.

(ii) The certificate of the employer should be signed by the Manager or a Senior Officer of the Company etc., stating capacity in which he signs.

(iii) Applications for such remittance facilities should be made by one member of the family. If there are more than one earning members one application stating the joint income should be made by any one of them.

(iv) Family means wife and children only.

(v) When the applicant is receiving additional facilities like free board/lodging, motor car, etc., the monetized value of such facilities as declared to the income-tax authorities should be stated item-wise.

(ENDORSEMENT BY THE AUTHORIZED DEALER)

Sl. No.	Date of remittance	Amount remitted	Particulars of return in which the transaction reported to the State Bank of Pakistan	Stamp and Signature of the Authorized Dealer	Remarks
1.					
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.					
11.					
12.					

LIST OF LEADING SUBSCRIPTION AGENTS

1. W.M. Dowson & Sons Limited, London.
2. Hachette Gotch Limited, London.
3. W.H. Smith, London.
4. McGraw Hill Export Subscription Agency, Hightstown, New Jersey.
5. Franklin Square Subscription Agency, New Jersey.
6. W.H. Everett & Sons Limited, London.
7. Moore Cottrell Subscription Agencies Inc., North Cohocton, N.Y. U.S.A.
8. I.P.C. Magazine Limited, Southampton Street, Strand, London, W.C.1
9. Grossowrus Wegner & Co. Hamburg.

APPLICATION FOR PAYMENT OF FEES FOR CORRESPONDENCE COURSES

1. Description of Course and its duration .....

2. Name and Address of payee .....

3. Amount of fees payable .....

4. Educational qualifications and present occupation of applicant .....

5. Reasons for selecting the courses .....

I declare that during the current calendar year I have remitted so far a sum of Rs. ..... on account of purchase of books, magazine, periodicals etc.

.....

Date ..... (Signature of Applicant)

Foreign Exchange Regulation Act, 1947.
(VII of 1947)

FORM 'P'
PORTION TO BE RETAINED BY THE STATE BANK

APPLICATION TO EFFECT BOOKING OF PASSAGE/S BY SEA OR AIR OR ANY OTHER MODE OF CONVEYANCE ON PAYMENT IN PAKISTAN RUPEES

I/We apply for permission to book the undermentioned passage/s for journey from ..... to ..... as per details given below:-

Name of Steamship/ Airline or other method of conveyance	Destination	Countries enroute to be visited	Class of passage (i.e. first class or tourist class etc. as the case may be)	Cost of passage in Pak Currency	
				PIA Pak. Rs.	Foreign Carrier Pak Rs.

1. (a) Full name, nationality and address of the applicant. .....
   (b) G.I.R. No. and Income Tax Circle in case the applicant is income tax payer in Pakistan. If not, write 'NIL'. .....
2. (a) Full name and nationality of the passenger/s, passport number/s and date/s of issue. .....
   (b) CNIC No., date and place of issue . .....
3. Relationship of applicant with the passenger/s. .....
4. Length of residence of passenger/s in Pakistan.
5. Profession or business of passenger/s while in Pakistan/abroad.. .....
6. Purpose of visit for which passage is desired to be booked. .....
7. The date on which and the country visited last. .....
8. Was permission of the State Bank sought for this passage in the past by the Passenger or by the applicant or any person on his behalf? If so, the name of the office of the State Bank at which application was made previously and its outcome may be disclosed. .....
9. In case of rebated passage, certificate from the airline concerned should be enclosed indicating grant of rebated passage facility under I.A.T.A. Regulations. .....
10. Consideration for which the rebated passage has been granted by the airline. .....
11. *In the case of Non-resident passenger:
    (a) How funds were obtained for support while in Pakistan ?
    (b) Particulars of remittances received from abroad. .....

I declare that the information furnished by me above is correct and in the event of its being not correct, I hold myself liable for such action as may be deemed fit under the Foreign Exchange Regulation Act, 1947.

.....
(Signature of the applicant)

* For the purpose, by the term "Non - resident" is meant foreign nationals resident in Pakistan for less than six months.

FORM 'P' COUNTERFOIL

VALID FOR THREE MONTHS FROM THE DATE OF APPROVAL WITH THE QUALIFICATION THAT APPROVALS OF THE STATE BANK OF PAKISTAN BEARING CODE 'G' OR 'A' ARE NOT VALID FOR TRAVEL TO SAUDI ARABIA AND NEIGHBOURING COUNTRIES VIZ. EGYPT, SUDAN, DJIBOUTI, SOMALIA, ETHIOPIA, KENYA, SYRIA, TURKEY AND GREECE FROM SUCCEEDING 10TH OF SHAWWAL TO 10TH OF ZILHAJ AS ANNOUNCED BY THE RUET HILAL COMMITTEE.

No. …….
Date ……
M/s. …… are authorized to book
(Name of the carrier)
the passage/s of……
(Name of passenger/s)
of……..holding passport Number/s…….
(Country of Domicile)
date of issue ……by……
(Method of Conveyance)
from …….to ……. in ……..
(Class of passage)

The passage should be booked by the normal direct route to the destination. Cost of passage/s amounting to/not exceeding Pak Rs. …….. …..may be collected from ……..
(Name of person/company
……. in Pakistan Rupees.
paying the cost of passage/s)

DEPUTY DIRECTOR

STATE BANK OF PAKISTAN
EXCHANGE POLICY DEPARTMENT
……
(Place)

FORM 'P'–2
(To be submitted in duplicate)

APPLICATION TO BOOK PASSAGES FOR A DESTINATION OUTSIDE PAKISTAN AGAINST PAID TRAVEL ADVICES/TICKETS PAID FOR ABROAD OR 100% REBATED TICKETS

1. (a) Full name and address of the applicant .....

.....

(b) Full name/s of passenger/s .....

.....

2. (a) Nationality of the passenger/s, Passport number/s and date/s of issue. .....

.....

(b) CNIC number, date and place of issue. .....

3. G.I.R. No. and Income Tax Circle in case the applicant is income tax payer in Pakistan. If not, write "Nil". .....

.....

4. Full name, address, nationality and occupation of the person who has made payment for the ticket outside Pakistan. Enclose PTA/ticket received from abroad. In case of 100% rebated ticket, certificate from the airline concerned should be enclosed indicating grant of 100% rebated passage facility under the IATA Regulations. .....

.....

.....

5. Purpose of visit for which passage is desired to be booked. .....

6. Consideration for which payment has been made by the person at 4 above or the consideration for which 100% rebated passage has been granted by the airline. .....

.....

7. Exact relationship of the applicant with the payer. .....

.....
(Signature of the applicant)

FOR USE IN THE STATE BANK

VALID FOR THREE MONTHS FROM THE DATE OF APPROVAL WITH THE QUALIFICATION THAT APPROVALS OF THE STATE BANK OF PAKISTAN BEARING CODE 'G' OR 'A' ARE NOT VALID FOR TRAVEL TO SAUDI ARABIA AND NEIGHBOURING COUNTRIES VIZ. EGYPT, SUDAN, DJIBOUTI, SOMALIA, ETHIOPIA, KENYA, SYRIA, TURKEY AND GREECE FROM SUCCEEDING 10TH OF SHAWWAL TO 10TH OF ZILHAJ AS ANNOUNCED BY THE RUET HILAL COMMITTEE.

Messrs ..... are hereby authorized to book passage

for Mr./Mrs./Miss ..... for journey from .....

to ..... against * 100% rebated ticket/* ticket paid for abroad as

mentioned above. No payment is to be accepted in Pakistan Rupees.

Approval No. .....

Date .....

.....
Deputy Director

* Delete not applicable.

Serial No.xyz 000000

FORM T-1

FOREIGN EXCHANGE REGULATION ACT, 1947

Application for Foreign Exchange for Travel

If the applicant is income tax payer, please indicate:-

G.I.R. No. .....

and the Income Tax Circle .....

Name and address of Authorized Dealer .....

CNIC No., date and place of issue .....

If applicant is not an income tax payer, the word 'Nil' should be clearly stated.

I/We the undersigned hereby apply to obtain Foreign Exchange as detailed hereunder for travel abroad:-

Amount applied (state currency)	Cash or Travelers Cheques	**Date** proceeding	Destination	Purpose of visit

The following members for whose benefit exchange is also applied for are accompanying me.

Name	Age	Relationship	Particulars of exchange required

I/We hereby declare that:-

(1) the amount of Foreign Exchange applied for is to cover the basic exchange allowance for myself and members of my family, as shown in the application or on attached sheet and who are travelling with me for the journey as described above; (Contd.)

(2) the amount of exchange drawn for each member of the family including self shall be used solely for the living and travelling expenses of that person in the countries for which exchange is sanctioned and that in the event of cancellation, postponement or changes in the travel program of any of those persons, I undertake the full responsibility to resell, in compliance with the sub-section 3 of section 4 of the Foreign Exchange Regulation Act on cancellation of (any of) the ticket(s) voucher(s) or my failure to depart as indicated above. I/We shall without delay refund the exchange drawn by me/us for the journey which is not undertaken to an Authorized Dealer in Foreign Exchange in Pakistan. If the journey is not undertaken within the validity of the passage approval, I/We shall immediately apply to State Bank of Pakistan for permission to allow me/us to retain the Foreign Exchange drawn by me/us for the journey to be undertaken subsequently. Failing the receipt of such permission I/We shall resell the exchange without delay to an Authorized Dealer in Foreign Exchange in Pakistan;

(3) the Exchange issued to me under this form may only be taken out by me/us on my/our departure from Pakistan and may not be sent out by post or through the medium of any other person or by any other means;

(4) on my return to Pakistan I/we shall make immediate arrangements to resell the Foreign Exchange which may be unutilized to an Authorized Dealer in Foreign Exchange in Pakistan;

(5) If I/we receive any foreign exchange through any other source for defraying my/our expenses etc., abroad, foreign exchange so obtained will be declared on return to the State Bank of Pakistan. Further I/we will surrender to an Authorized Dealer in Pakistan foreign exchange drawn from Pakistan to the extent of foreign exchange obtained abroad.

Name .....
(Block Letters)

Address ....
Signature of the Applicant

..... Phone No. .....

Passport No. ..... dated ..... Issued at ..... Nationality .....

(Valid for three months from the date of issue)

STATE BANK OF PAKISTAN CERTIFICATE OF APPROVAL (if required)

Approved for .....
(State amount in figures and words)

Approval No. .....

Signature and Seal of the

Date ..... State Bank of Pakistan

(Contd.)

To be completed by the Authorized Dealer

1. We have examined the Passport/s, Pilgrim Pass/es or Emergency Certificate/s and confirm that their particulars as given over leaf are correct.

2. We have examined the ticket/s voucher/s covering the passage/s booked for the journey of the applicant (and his family if a group issue) the particulars of which are given below:-

Ticket No./s	Ship/Airline/Train/Bus	Scheduled Date of Departure	Immediate Destination

3. We have issued the following exchange under this application as approved, the particulars of which we have endorsed on the applicant's Passport/Pilgrim Pass and (in case of group issue) on the Passports/Pilgrim passes of each person for whom exchange is issued under this application.

Amount/s issued (stating currency)

(i)	(ii)
Travellers Cheques	Currency Notes
.....	.....
.....	.....
.....	.....

.....
Signature and Stamp of Authorized Dealer

Coding of Transaction by Authorized Dealer/State Bank

Country of destination									
Purpose/Category of Travel	X	X	1						
Department									

Amount of Foreign Exchange drawn (in figures)										

(in words) .....

.....
Signature and Stamp of State Bank/Authorized Dealer

I hereby certify having received the exchange issued to me as above.

.....
Signature of the applicant

FORM 'A' **(To be submitted in duplicate)**

FORM OF AIR TRAVEL WARRANT ISSUED BY THE GOVT. DEPTT. TO PIA FOR BOOKING PASSAGES FOR GOVT. SERVANTS OR A MEMBER OF AN OFFICIAL DELEGATION GOING ABROAD ON OFFICIAL DUTY

No. .....

Government of
Ministry of
Department of

Date the .....

To
M/s. Pakistan International Airlines

.....
.....

Subject:- AIR TRAVEL ON GOVERNMENT ACCOUNT

Dear Sirs

I am directed to say that the under mentioned person/persons is /are required to travel on Goverment account on the date/s and to the place/s mentioned against his/her/their name/s:-

Name	Passport No.	Designation	Date	Destination	Particulars of family members

You are requested to issue the necessary air ticket/air tickets to the person/persons mentioned above.

In case you are not operating any direct service to the place/places to be visited by the person/ persons concerned arrangements may please be made to endorse a portion of the air ticket/tickets on any other airline which may be selected by the passenger/passengers.

The amount of the air tickets will be paid in cash/should be billed to this Ministry/Department quoting this letter as authority.

Yours faithfully

APPLICATION FORM FOR RELEASE OF EXCHANGE FOR PROFESSIONAL TRAINING

(To be completed by the Sponsoring Company in Pakistan)

1.	Name of the trainee.	.....
2.	Age and academic/technical qualifications.	.....
3.	Passport number with date and place of issue.	.....
4.	Position held with the sponsoring company and length of service.	.....
5.	Name of the foreign firm/organization offering training facility and its relationship with the sponsoring company in Pakistan. (Attested copy of the correspondence, if any, and other relevant information in support of the request should be attached).	....
6.	Nature and duration of the training with date of its commencement.	.....
7.	Name of institution etc. where training will be provided.	.....
8.	Details of facilities monetary or otherwise being provided by foreign organization etc.	.....
9.	Foreign Exchange requirements.	.....

For and on behalf of

Date .....

.....

Director/Manager

Sl. No.	COUNTRY	RATE OF DAILY ALLOWANCE	
		TOP LEVEL EXECUTIVES	JUNIOR EXECUTIVES
1.	2	3	4
		US$	US$
1.	**Australia**		
	Surbers, Paradise & Melbourne Darwin	171	154
	Cabnerrat Hobart	168	151
	Brisbane	166	149
	Adelaide	164	148
	Sydney	163	147
	Alice Springs	146	131
	Launceston	141	127
	Perth	156	140
	Elsewhere	131	118
2.	**Austria**		
	All Areas	200	180
3.	**Belgium**		
	All Areas	274	247
4.	**Canada**		
	Ottawa	152	137
	Toronto	174	157
	Montreal	133	120
	Vancouver	179	161
	Quebec City	167	150
	Calgary	167	150
	Winnipeg	162	146
	Elsewhere	99	89
5.	**China**		
	Beijing (May & 1st Sept.30th Nov.)	164	148
	Beijing (01 Dec. 30 Apr)(01 June 31st Aug)	151	136
	Shanghai	178	160
	Nanjing	172	155
	Chonging	170	153
	Guamhzhou	170	153
	Tianjin	142	128
	Shenzen	164	148
	Quingdao	159	143
	Dali Am	164	148
	Fuzhou	157	141
	Lhasa (April-Oct.)	157	141

Sl. No.	COUNTRY	RATE OF DAILY ALLOWANCE	
		TOP LEVEL EXECUTIVES	JUNIOR EXECUTIVES
1.	2	3	4
		US$	US$
	Wu-Ham	153	138
	Guilin	151	136
	Kunming	147	132
	XIAMEN	146	131
	Zhengzhou	143	129
	Chengdu	143	129
	Suzhou	140	126
	Lhasa (Nov – Mar.)	133	124
	Wuxi	137	123
	Huangzhou	136	122
	XI' AN	126	113
	Urumqi	120	108
	Hai Kov	91	82
	Elsewhere	88	79
6.	**Czech Republic**		
	Prague	188	169
	Karloyy Vary	143	129
	Brno	110	99
	Plzem	84	76
	Ceske Budejovice	76	68
	Hradec Kralove	70	63
	Elsewhere	52	47
7.	**Denmark**		
	All Areas.	201	181
8.	**Finland**		
	Helsinki	229	206
	Elsewhere	191	172
9.	**France**		
	Paris	220	198
	Elsewhere	193	174
10.	**Germany**		
	Frankfurt	253	228
	Leipzig	224	202
	Berlin	224	202
	Bonn	221	199
	Nuremburg	202	182
	Elsewhere	206	185
11.	**Hongkong**		
	All Areas	216	194

Sl. No.	COUNTRY	RATE OF DAILY ALLOWANCE	
		TOP LEVEL EXECUTIVES	JUNIOR EXECUTIVES
1.	2	3	4
		US$	US$
12.	**Hungary**		
	All Areas	191	172
13.	**India**		
	Kolkata	142	128
	Mumbai	138	124
	New Delhi	134	121
	Hyderabad	126	113
	Banglore	122	110
	Madras	129	116
	Mysore	81	73
	Udaipur	110	99
	Gea	79	71
	Agra	107	96
	Lucknow	93	84
	Jaipur	93	84
	Varanasi	92	83
	Aurangabad	69	62
	Shimla	70	63
	Elsewhere	57	51
14.	**Italy**		
	Milan	214	193
	Florence	148	133
	Venice	196	176
	Rome	192	173
	Turin	169	152
	Elsewhere	167	150
15.	**Japan**		
	Tokyo	380	342
	Yokohama	312	281
	Osaka	297	267
	Okinawa	274	247
	Nagoya	201	181
	Hakone	310	279
	Shimoda	300	270
	Furano	290	261
	Shodoshima	277	249
	Hakata	274	247
	Sapporro	306	275
	Nara	256	230
	Kyoto	288	259

Sl. No.	COUNTRY	RATE OF DAILY ALLOWANCE	
		TOP LEVEL EXECUTIVES	JUNIOR EXECUTIVES
1.	2	3	4
		US$	US$
	Tsuruoa	253	228
	Miyazaki	243	219
	Kokowue	237	213
	Kanazawa	237	213
	Karatsu	237	213
	Saga	222	200
	Nagasaki	222	200
	Narita	222	200
	Chitose	220	198
	Kobe	253	228
	Kawasaki	219	197
	Sendaicity	218	196
	Okayama	213	192
	Shizuuk City	208	187
	Matsuyama	201	181
	Niigata City	199	179
	Kumamoto	192	173
	Mito	191	172
	Kochi	179	161
	Hiroshima	177	159
	Tsuyama	167	150
	Matsue	163	147
	Elsewhere	199	179
16.	**Korea, Republic of:**		
	Seoul	224	202
	Kyungjv	202	182
	Cheju Island	218	196
	Busan	200	180
	Yousong and Changwon	131	118
	Daejon	117	105
	Elsewhere	106	95
17.	**Netherland**		
	All Areas	232	209
18.	**New Zealand**		
	All Areas	149	134
19.	**Norway**		
	All Areas	201	181
20.	**Poland**		
	Warsaw (Hotel Victoria, Forum & Holiday Inn)	157	141

Sl. No.	COUNTRY	RATE OF DAILY ALLOWANCE	
		TOP LEVEL EXECUTIVES	JUNIOR EXECUTIVES
1.	2	3	4
		US$	US$
	Warsa (Elsewhere)	99	89
	Elsewhere	113	102
21.	**Romania**		
	Bucharest (All Hotels)	190	171
	Brasov City (Hotel Aro)	156	140
	Brasov City (Elsewhere) & Elsewhere	102	92
22.	**Saudi Arabia**		
	Riyadh	160	144
	Dammam	146	131
	Al-Jubail	169	152
	Qasim	129	116
	Gizan	106	95
	Makka al-Muzzamah	178	160
	Madina Munawara	162	146
	Taif	162	146
	Al-Khobar	154	139
	Yanbu	134	121
	Dhahran & Al-Baha	148	133
	Abha	144	130
	Jeddah	127	114
	Elsewhere	101	91
23.	**Singapore**		
	All Areas	212	191
24.	**Sweden**		
	Stockholm	210	189
	Gothenburg	123	111
	Malme	171	154
	Elsewhere	106	95
25.	**Switzerland**		
	All Areas	207	186
26.	**Thailand**		
	Bangkok	147	132
	Cham Am	120	108
	Hau Him	108	97
	Pattaya	107	96
	Nakern Rajchasima Haao Yaidistrict	120	108
	Rayong	102	92
	Phuket	100	90
	Nakorn Phatom (Rose Garden)	94	85

Sl. No.	COUNTRY	RATE OF DAILY ALLOWANCE	
		TOP LEVEL EXECUTIVES	JUNIOR EXECUTIVES
1.	2	3	4
		US$	US$
	Nae Hong Son	82	74
	Chiang Mai	81	73
	Chiang Rai	64	58
	Rangsit (Air Campus) Ranong	62	56
	Ait, Pathumthani	71	64
	Surat Thdni	57	51
	Bang, Saen/Khon Kaen	52	47
	Tak	51	46
	Nakern Phatom (Elsewhere)	50	45
	Hatyai Songkla	54	49
	Aranyaprathetc, Chumporn	49	44
	Elsewhere	44	40
27.	**Turkey**		
	Istanbul (Hotels Conrad, Marmara, Suisse, Hilto & Ciragan)	223	201
	Instanbul (Elsewhere)	188	169
	Izmir	86	77
	Antalya	116	104
	Ankara	108	97
	Bursa	103	93
	Elsewhere (Com.Acc)	79	71
	Elsewhere (Govt.Guest House)	17	15
28.	**United Kingdom**		
	London	222	200
	Elsewhere	180	162
29.	**U.S.A**		
	New York	204	184
	Chicago	169	152
	Washington D.C	188	169
	Boston	180	162
	San Francisco	174	157
	Los Angeles	166	149
	Honoudulu	169	152
	Philadephia	136	122
	Miami	153	138
	Elsewhere	109	98
30.	**Yugoslavia**		
	Belgrade	153	138
	Podgorica	48	43
	Elsewhere	86	77

APPLICATION FORM FOR MEDICAL TREATMENT ABROAD

1. Name and address of the applicant ……
……
2. CNIC No. ……
3. Passport No. ……
4. Age ……
5. Period of continuous residence in Pakistan ……
6. Nature of Disease ……
7. Names of Institutions/Doctors who have carried out treatment of above disease ……
……
8. Treatment contemplated and in which country/countries ……
9. Anticipated length of stay abroad under treatment ……
10. Estimated cost of the treatment as per invoice/estimate of foreign hospital: ……
(i) Estimated expenses for operation ……
(ii) Estimated expenses for medicines ……
(iii) Estimated expenses for consultation/Medical Advice ……
(iv) Estimated expenses for boarding and lodging in hospital/outside ……

Total: ……

I hereby declare that the information given above is correct to the best of my knowledge and belief and that in case any information furnished by me is found to be incorrect I will render myself liable to action under the Foreign Exchange Regulation Act, 1947.

……
Signature of the applicant/Next of Kin/Sponsor
Name and Full Address:.....
.....
.....

Date: .....

CERTIFICATE OF THE MEDICAL SPECIALIST/MEDICAL SUPERINTENDENT OF THE HOSPITAL

1. It is confirmed that Mr./Mrs./Miss ..... has been examined on ..... by the undersigned and he/she is suffering from .....

2. In my opinion the ailment from which he/she has been suffering is serious and it is essential for him/her to proceed to ..... for treatment. For this purpose I recommend release of exchange amounting to ……for treatment. The broad basis for the amount recommended is indicated below:-

(i) Estimated expenses for Operation ……
(ii) Estimated expenses for Medicines ……
(iii) Estimated expenses for consultation /Medical Advice ……
(iv) Estimated expenses for Boarding/Lodging in Hospital/Outside ……

Dated.....

……
Signature of the Specialist/Medical Superintendent
Name of the Doctor……..
Name/Address of the Hospital with Rubber Stamp
…….....
……

FOREIGN EXCHANGE REGULATION ACT, 1947

FORM OF APPLICATION FOR THE TRANSFER OF FUNDS BY
PAKISTAN NATIONALS WISHING TO MIGRATE
PERMANENTLY FROM PAKISTAN

To,
The State Bank of Pakistan,
Exchange Policy Department,
.....

Through : .....(Authorized Dealer in Foreign Exchange)

Dear Sirs,

I hereby apply for grant of passage and exchange facility for migration to .....(Name of country) I am proceeding with the following dependents who are accompanying me with the intention to reside permanently in that country:-

Sl. No.	Name	Age	Relationship with the applicant

I confirm that I am a citizen of Pakistan and that I hold passport No. ..... issued by the Government of Pakistan dated ..... which is submitted herewith alongwith form P/P2 and 'M'/T-1.

I declare that authorities in the country to which I propose to migrate are prepared to admit me and my dependents as immigrants. As a proof of the correctness of this statement, I submit herewith following evidence:-

The names of my bankers in Pakistan are as follows: .....
The names of my bankers abroad (if any) are as follows: .....

I have completed the declaration on the reverse as required jointly with the dependents accompanying me (other than minors).

Yours faithfully,

Name of applicant .....
Full residential address in
Pakistan .....
.....
Occupation: .....

.....
(Signature of the applicant)

Date .....

P.T.O

DECLARATION TO BE SIGNED BY THE APPLICANT AND ACCOMPANYING DEPENDENTS (OTHER THAN MINORS)

(a) I/We declare that I/we intend to reside permanently in the country of destination as stated on the reverse.

(b) The following is a true and complete statement of my/our assets (whether in Rupees or in any other Foreign Currency) belonging to me/us, whether held inside or outside Pakistan (where none write 'None' in the appropriate Section/s):-

1. Bank balances(s) with .....

2. Pakistan Rupee shares and securities including National Savings Certificates, Defence Savings Certificates, NIT Units etc. .....
.....
.....

3. Foreign securities. .....

4. Insurance policies or annuities (State the averages amount, name of the company, the date when the policy was taken out, and when benefits are payable) .....
.....
.....

5. Other assets (e.g. real estate, pension, provident fund etc.) .....

6. Value of house-hold effects to be taken Rs. .....

7. Value of personal belongings to be taken Rs. .....
.....
.....
.....

.....
Signatures of applicant and of all dependents accompanying him (other than minors).

Date .....

LIST OF CHAMBERS OF COMMERCE & INDUSTRY

FEDERATION:

All Offices of the Federation of Pakistan Chambers of Commerce & Industry.

CHAMBERS:

1. Azad Jammu & Kashmir Chamber of Commerce & Industry,
   115-F-1, Jaridan Road, Mir Pur: P.O.Box No.12,
   Azad Jammu & Kashmir.

2. Faisalabad Chamber of Commerce & Industry,
   Muslim Commercial Bank Building,
   4th Floor, Room No.3, Circular Road,
   Faisalabad.

3. Gujranwala Chamber of Commerce & Industry,
   499-B, Satellite Town,
   Gujranwala.

4. Hyderabad Chamber of Commerce & Industry,
   P.O.Box No.99, Baitul Inayat,
   Cantonment, 526, Quaid-e-Azam Road,
   Hyderabad.

5. Karachi Chamber of Commerce & Industry,
   Aiwan-e-Tijarat, Aiwan-e-Tijarat Road, P.O.Box No.4158,
   Karachi-2.

6. Lahore Chamber of Commerce & Industry,
   11-Race Course Road, P.O.Box No.597,
   Lahore.

7. Multan Chamber of Commerce & Industry,
   Co-operative Bank Building,
   Kutchery Road, P.O.Box No.90,
   Multan.

8. Overseas Investors Chamber of Commerce & Industry,
   Chamber of Commerce Building,
   P.O.Box No.4833, Talpur Road, Karachi-
   2.

9. Quetta (Balochistan) Chamber of Commerce & Industry,
P.O.Box No.117, D-5/2(7), Ingle Road,
Quetta (Balochistan).

10. Rawalpindi Chamber of Commerce & Industry,
Chamber House, 108-Adamjee Road,
Rawalpindi.

11. Sarhad Chamber of Commerce & Industry,
Sarhad Chamber House, G.T.Road,
Peshawar.

12. Sukkur Chamber of Commerce & Industry,
Opp: New Cloth Market,
Sukkur.

13. Sialkot Chamber of Commerce & Industry,
Kutchery Road,
Sialkot.

14. Dera Ghazi Khan Chamber of Commerce & Industry,
Victoria Hotel, Block 'C',
Dera Ghazi Khan.

15. The American Business Council of Pakistan,
3rd Floor, Shaheen Commercial Complex,
M.R.Kayani Road,
Karachi.

16. Islamabad Chamber of Commerce & Industry,
Islamabad.

17. Sargodha Chamber of Commerce & Industry,
Kutchery Bazar,
Sargodha.

18. Dadu Chamber of Commerce & Industry,
258, Deh Hathal Buth Nooriabad,
Super Highway,
Distt: Dadu.

19. The Dera Ismail Khan Chamber of Commerce & Industry,
West Circular Road,
Dera Ismail Khan.

20. Gujrat Chamber of Commerce & Industry,
62-A, S.I.E.G.T. Road,
Gujrat.

21. Hazara Chamber of Commerce & Industry,
Al-Mumtaz Plaza, Supply Bazar, Mansehra Road,
Abbottabad.

LIST OF TRADE ASSOCIATIONS

FAISALABAD:

1. Pakistan Small Units Powerlooms Association,
18-B, Gymkhana Road, Civil lines,
Faisalabad.

2. Pakistan Particle Boards Manufacturers Association,
Faisalabad.

3. All Pakistan Cloth Exporters Association,
Room No.12, 4th Floor, Muslim Commercial Bank Building, Circular Road,
Faisalabad.

4. All Pakistan Textile Processing Mills Association,
3, Sitara Market, Maqbool Road, Rex Crossing,
Faisalabad.

ISLAMABAD:

1. Pakistan Overseas Employment Promoters Association,
House No.6, F-7/1,
Shah Faisal Masjid Road,
Islamabad.

2. Pakistan Opticians Association,
63, I & T Centre,
Islamabad.

KARACHI:

1. Pakistan Advertising Association,
Room No.232, Hotel Metropole, Club Road,
Karachi.

2. Pakistan Automobile Spare Parts Importers &
Dealers Association,
4/18, Rimpa Plaza, Plaza Square,
M.A.Jinnah Road,
Karachi.

3. Betel Leaves Importers & Retailers Association of Pakistan, 207, Tahir Plaza, Pan Mandi, Nanak Wara, Karachi.

4. Association of Builders and Developers, 6th Floor, Bambino Chambers, Garden Road, Karachi.

5. Pakistan Carpet Manufacturers & Exporters Association, P.I.A. Building, 2nd Floor, Stratchan Road, Karachi.

6. Pakistan Cement Manufacturers Association, P.I.D.C. Building, 2nd Floor, Dr.Ziauddin Ahmad Road, Karachi.

7. Pakistan Chemists and Druggists Association, 18 – Sheikh Chambers, 2nd Floor, Near Light House Cinema, M.A.Jinnah Road, Karachi.

8. Pakistan Chemicals & Dyes Merchants Association, Chemical Dye House, Jodia Bazar, Rambharti Road, Karachi.

9. Cigarette Manufacturers Association of Pakistan, 177-R-Block-2, PECHS, Karachi.

10. Pakistan Cloth Merchants Association, 64-C, Latif Cloth Market, Karachi.

11. Karachi Cotton Association, Cotton Exchange Building, I.I.Chundrigar Road, Karachi.

12. Pakistan Cotton Ginners Associations, 1st Floor, Yousafali Alibhoy Building, Opp: Naz Chambers, Shahrah-e-Liaquat, New Challi, Karachi.

13. Pakistan Electrical & Electronics Merchants Association, Suit No.10, 3rd Floor, Arkay Square, Shahrah-e-Liaquat, Karachi.

14. Pakistan Electronic Manufacturers Association, Rizvi Chambers, 2nd Floor, Akbar Road, P.O.Box No.7741, Karachi.

15. Pakistan Film Distributers Association,
Sheikh Chambers, Near Light House Cinema,
M.A.Jinnah Road, Karachi.

16. Pakistan Film Exhibitors Association,
Lyric Cinema Building, Garden Road,
Karachi.

17. Pakistan Handicrafts Manufacturers & Exporters Association,
105, 1st Floor, Alfarid Centre, Moulvi Tamizuddin Khan Road, Karachi.

18. Pakistan Hardware Merchants Association,
Mandviwala Building, Serai Road,
Karachi.

19. Pakistan Hosiery Manufacturers Association,
26-Dilkusha Chambers, 2nd Floor, Marston Road,
Off: Godean Cinema,
Karachi.

20. Pakistan Hotels Association,
Shafi Court, Ground Floor, Mereweather Road, Civil Lines, P.O.Box No.7448,
Karachi-4.

21. Insurance Association of Pakistan,
Jamshed Katrak Chambers, Machi Miani, P.O.Box No.4932, Karachi.

22. Pakistan Iron and Steel Merchants Association,
10, Writers Chambers, 2nd Floor, Mumtaz Hassan Road. P.O.Box No.4827,
Karachi.

23. Pakistan Jute Mills Association,
Habib Square, 3rd Floor, Insurance House No.3, M.A.Jinnah Road, Karachi.

24. Pakistan Match Manufacturers Association,
40, Aiwane-Tijarat, Aiwane-Tijarat Road,
Karachi.

25. Pakistan Metal Container Manufacturers Association,
B/24, S.I.T.E. P.O.Box No.3608,
Karachi.

26. Pakistan Paint Manufacturers Association,
P.O.Box No.3602 Block-14, Federal 'B' Area,
Karachi.

27. Pakistan Pharmaceutical Manufacturers Association,
130-Hotel Metropole, Club Road,
Karachi.

28. Pakistan Pharmaceutical Importers Association,
Al-Yousuf Chambers, 4/36, 4th Floor, Shahrah-e-Liaquat,
New Challi,
Karachi.

29. Pakistan Plastic Manufacturers Association,
C-20, S.I.T.E.,
Karachi-16.

30. Pakistan Poultry Association,
107, Trade Centre, Ist Floor, Near National House, Shahra-e-Faisal,
Karachi-8.

31. Pakistan Pulp Paper and Board Makers Association,
402, Burhani Chambers, Abdullah Haroon Road,
Karachi.

32. Pakistan Readymade Garments Manufacturers & Exporters' Association,
430-431, Muhammadi House, I.I. Chundrigar Road,
Karachi.

33. Pakistan Sanitary Merchants & Manufacturers Association,
C/o Qadri Brothers Foundry & Workshop,
Nishtar Road, Near Shoe Market,
Karachi.

34. Pakistan Seafood Industries Association,
Construction House, 21-E, Block-6, PECH,
Karachi.

35. Pakistan Ship Breakers Association,
Shippers Building, I.I. Chundrigar Road,
Karachi.

36. Pakistan Shipowners Association,
Ralli Brothers Building, Talpur Road,
Karachi.

37. Pakistan Silk & Rayon Mills Association,
10, Bank House No. 3, Habib Bank Square,
4th Floor, M.A. Jinnah Road,
Karachi.

38. Pakistan Small Industries Association,
Madha Chamber, 2nd floor, M.A. Jinnah Road,
Karachi.

39. Pakistan Soap Manufacturers Association,
1148, Ist Floor, Sunny Plaza, Hasrat Mohani Road, Karachi-I.

40. Pakistan Stationers Association,
Fadoo Building, M.A. Jinnah Road,
Karachi.

41. All Pakistan Solvent Extractors Association,
C/o. Cake and Oil Products Limited, United bank Building,
I.I. Chundrigar Road,
Karachi.

42. Pakistan Tanners Association,
Plot No.47, Sector 7-A, Korangi Industrial Area,
Karachi.

43. Pakistan Tea Association,
Mohammad Bukhsh Building, Ist Floor, 23 West Road, Karachi-2.

44. All Pakistan Textile Mills Association,
Mohammadi House, I.I. Chundrigar Road,
Karachi.

45. Towels Manufacturers Association of Pakistan,
45, Idris Chamber, Talpur Road,
Karachi.

46. Travel Agents Association of Pakistan,
205-5 Central Hotel Building, Merewether Road,
Karachi.

47. Pakistan Vanaspati Manufacturers Association,
404, Muhammadi House, I.I. Chundrigar Road,
Karachi.

48. Pakistan Waste Products Association,
12-A, Nadir House, I.I. Chundrigar Road,
Karachi.

49. Pakistan Yarn Merchants Association,
224-B, Latif Cloth Market, Ist Floor, Saleh Muhammad Street,
Karachi.

50. Pakistan Tyre Importers & Dealers Association,
Karachi.

51. Pakistan Bidi Manufacturers Association,
Karachi.

52. Pakistan Cotton Fashion Apparel Manufacturers &
Exporters Association,
Karachi.

53. Pakistan Bedwear Exporters Association,
12-13, Timber Pond, Keamari Road,
Karachi-2.

54. Pakistan Commercial Exporters of Towels Association,
1019, Uni Plaza, I.I.Chundrigar Road,
Karachi.

55. All Pakistan Gem Merchants & Jewelers Association,
403, 4th Floor, Hussain Centre,
Zaibunnisa Street, Saddar,
Karachi-5.

56. The Pakistan Wool & Hair Exporters Association,
511/21, Garden East, Business Recorder Road,
Karachi-0510.

57. Pakistan Knitwear & Sweaters Exporters Association,
Room No.6, 7th Floor, Textile Plaza, M.A.Jinnah Road,
Karachi.

58. All Pakistan Motion Pictures Investors Association,
Lyric Cinema Building, 70 – Agha Khan Road, Karachi 0310 A.

59. Pakistan Agricultural Pesticides Association,
F/7, Al-Hamra Centre, Central Commercial Area,
Shaheed-e-Millat Road,
Karachi.

60. Pakistan Restaurants & Caterers Association,
Head Office, 220 Ghadially Building,
Opp: Empress Market, Saddar,
Karachi.

61. All Pakistan Paper Merchant Association,
Room No.104, Azeem Paper Market, Hasan Ali Effendi Road,
Karachi.

62. Air Cargo Agents Association of Pakistan,
41/1/L, Block 6, PECHS,
Karachi.

LAHORE

1. Pakistan Arms & Ammunition Merchants and
Manufacturers Association, 63 – The Mall,
Lahore.

2. Pakistan Electrical Manufacturers Association,
P.O.Box No.1427, 14-A, Davis Road,
Lahore.

3. Pakistan Film Producers Association,
Regal Cinema Building, Shahrah-e-Quaid-e-Azam,
Lahore.

4. Pakistan Flour Mills Association,
P.O.Box No.47, Room No.103-104, Qadri Chamber Hall,
Mcleod Road Chowk,
Lahore.

5. Pakistan Industrial Fasteners Manufacturers Association,
C/o, the Searose Industries Limited,
Gardee Trust Building, Thornton Road,
Lahore.

6. Pakistan Association of Printing & Graphic Arts Industry,
Quran Manzil, 98-Railway Road,
Lahore.

7. Pakistan Publishers & Booksellers Association,
YMCA Building, Shahrah-e-Quaid-e-Azam,
Lahore.

8. Pakistan Steel Melters Association,
4-A, Shah-Din-Building, Shahrah-e-Quaid-e-Azam,
Lahore.

9. Pakistan Steel Re-rolling Mills Association,
Rashid Chambers, 1st Floor, 6-Link Mcleod Road
Lahore.

10. Pakistan Sugar Mills Association,
328-329, Al-Falah Building, 3rd Floor,
Shahrah-e-Quaid-e-Azam,
Lahore.

11. Pakistan Woolen Mills Association,
2nd Floor, Lahore Autos Building, 87, Shahrah-e-Quaid-e-Azam,
Lahore.

12. Pakistan Art Silk Fabrics & Garments Exporters Association,
1st Floor, Ghulam Rasool Building, 60-The Mall,
Lahore.

13. Pakistan Canvas & Tents Manufacturers &
Exporters Association,
15/63 Afridi Mansion, Shadman Commercial Market,
Lahore.

MULTAN

1. Multan Cotton Association,
Cooperative Bank Building, Kutchery Road,
Multan.

2. Trader's Chamber,
1st Floor, Millat Cloth House,
Multan.

3. All Pakistan Bedsheets & Upholstery
Manufacturers Association,
Multan.

PESHAWAR

1. Pakistan Agricultural Machinery & Implements
Manufacturers Association,
Jamrud Road,
Peshawar.

2. Pakistan Second Hand Clothing Merchants Association,
Jahangir Pura Bazar, Peshawar City.

3. All Pakistan Commercial Exporters Association of Rough and Unpolished Precious and Semi-precious Stones,
Hotel Noor, Namak Mandi,
Peshawar.

QUETTA

1. Pakistan Mine Owners Association,
Hari kishan Road,
Quetta.

SIALKOT.

1. Pakistan Gloves Manufacturers and Exporters Association,
P.O.Box No.1330,
Sialkot.

2. Pakistan Sports Goods Manufacturers and

Exporters Association,
Sialkot City.

3. Surgical Instruments Manufacturers Association of Pakistan,
Kutchery Road,
Sialkot.

WAZIRABAD

1. Pakistan Cutlery & Stainless Utensils Manufacturers and
Exporters Association,
P.O.Box No.41,
Wazirabad.

FORM 'T2'

(VALID FOR ONE MONTH FROM DATE OF ISSUE)

FOREIGN EXCHANGE REGULATION ACT, 1947

APPLICATION FOR SPECIAL ALLOTMENT OF EXCHANGE FOR THE PURPOSE OF TRAVELLING OUTSIDE PAKISTAN FOR BUSINESS REASONS.

1. In applying for the facilities set out in para 3 below I, ...
(Full name of applicant)
..... do hereby declare that the journey to which this application relates is to be made solely for the purpose described in para 2 below and that the length of time I propose to remain abroad is the minimum necessary for that purpose and I acknowledge that I have been notified that the following conditions, will, pursuant to section 4(3) of the Foreign Exchange Regulation Act, 1947, apply to the use of any foreign exchange for which I now make application:-

(i) That such foreign exchange shall not be expended for purposes other than the cost of my own living expenses, entertainment for business purposes, and normal transport in the countries to be visited.

(ii) That on my return to Pakistan I will make immediate arrangements with the authorized dealer through whom I obtain the foreign exchange for the resale of the foreign exchange which may be un-utilized.

(iii) That I further declare hereunder:-

(a) I have not drawn any exchange through any other Authorized Dealer for this journey.

(b) I have not drawn any exchange in connection with the business of any other sister concern with which I am associated financially or otherwise in respect of this journey.

(c) I and other representatives of the firm have made the following visits abroad during the current calendar year:-

Date	Name of the representative	Amount of exchange drawn	Countries visited

(d) The firm or the Company has its principal office at ..... and corresponds with the State Bank of Pakistan Office at ..... only for the purpose of exchange control matters.

P.T.O.

2. Purpose of Journey (Please read carefully the note below)

Please give below a precise description of the purpose of the journey, including full details of the business to be transacted indicating the centres to be visited and the time to be spent at each centre.

3. Period of Stay (Specify Exactly)

Country	No. of days	Exchange Required
.....	.....	.....
.....	.....	.....
.....	.....	.....

Name of Applicant: .....
(in Block Letters)

Complete Address: .....

.....

Designation & Technical Qualifications .....

Passport No. ..... Date ..... Place of issue .....

Approximate date of departure ..... and return .....

Date ....
Signature of Applicant
(Traveler)

4. Declaration to be signed on behalf of the firm or company whom the traveler is representing, by person(s) authorized to operate on their banking account or by persons specially authorized to sign these applications on their behalf.

We Messrs. .....(Name of firm/company)

hereby declare that the journey to which this application relates is being undertaken on our behalf by Mr. .....,
(Name of traveler)

* Who is Managing Director/Director/Working Partner/Proprietor/Whole-time employee of our firm/company and the total cost is being charged to us. Our National Tax Number is

		–			–							

* Score out which is not applicable.

.....
Stamp and Signature with
name and designation

Date .....

CERTIFICATE OF CHAMBER OF COMMERCE/TRADE ASSOCIATION

Ref. No. ..... Date .....

VALID FOR ONE MONTH FROM DATE OF ISSUE

Certificate for sanction of Business Travel Quota/Purchase of Air ticket

Mr./Mrs./Miss. .....
(Name) (Title)

of M/s. .....
(Name and full address of the Company/Firm)

holding Passport No. ..... issued at .....
(Place of issue)

on ..... intends to proceed to .....
(Date of issue) (Name of countries)

for ..... days on business visit for which details are given hereunder:
(Number of days)

2. We have satisfied ourselves that the above trip is a bonafide business visit and it is not for:-

(i) Participation in international conference/seminar/symposium/meeting/workshop etc; or

(ii) Professional training or

(iii) Participation in trade fairs/exhibitions which are subject to the recommendations of the Trade Development Authority of Pakistan; or

(iv) In-house workshops/Departmental meetings, Conference, Seminar, Symposium etc. organized by the parent/regional offices of the foreign companies/firms operating in Pakistan.

3. It is recommended that passage may be booked for travel by air for countries mentioned above and the Business Travel Quota at the prescribed scales may be sanctioned to him/her for the proposed business visit for ..... days.
(Number of days)

AUTHORIZED SIGNATURE WITH STAMP

CERTIFICATE OF THE AIRLINE/SHIPPING COMPANY
TRAVEL AGENT

Certified that we have today issued Ecy./First Class ticket No. .....
for the sector(s) ..... valuing Rs. .....
in favor of Mr./Mrs./Miss .....
It is further confirmed that we have received payment in respect of this ticket from
M/s. ……
(Name of Firm/Company)
through cheque No. ..... date ..... for Rs. .....
drawn on ……
(Name of Bank)

Date ..... AUTHORIZED SIGNATURE WITH STAMP

CERTIFICATE OF THE AUTHORIZED DEALER

*Certified that we have today released US$ .....
@ ..... per day for ..... days in favour of
Mr./Mrs./Miss .....of.....(Name of exporter)
as recommended above by ..... on production
by the above traveller of (i) valid passport (ii) Computerized National Identity Card and (iii) ticket
No. ..... dated ..... for the sectors .....
of M/s. .....
(Name of Airline)

OR

*Certified that Mr./Mrs./Miss .....
is holding Credit Card No. ..... issued by M/s. .....
and we have initially released to him/her US$ .....

on ..... The details of amount utilized by him/her against the above Credit Card are as under:

S.No.	Date of remittance	Amount	Remarks
1.			
2.			
3.			

Further certified that the foreign exchange released to

Mr./Mrs./Miss ..... has been endorsed on the passport and the ticket of the traveler. It is also confirmed that the rupee cost of the foreign exchange released has been received by us through a cheque No. ..... dated ..... for Rs. ..... drawn on .....
(Name of bank)
by M/s. .....
(Name of exporter)

Dated ..... AUTHORIZED SIGNATURE WITH STAMP

* (Strike out whichever is not applicable)

UNDERTAKING

The Director,
Exchange Policy Department,
State Bank of Pakistan,

Dated .....

Through .....
(Name of Bank)

SUBJECT: **PARTICIPATION AT INTERNATIONAL TRADE FAIR/EXHIBITION**

Dear Sir,

We intend to participate in our private capacity in the above trade fair/exhibition for the display/sale of .....
.....
We hereby undertake to comply with the following terms and conditions:-

(i) that we shall directly reserve space in the above fair and shall be responsible for payment of all dues direct to the Fair authorities.

(ii) that we shall send our goods to the Fair under the normal export procedure on Form 'E' prescribed by the State Bank of Pakistan and shall be responsible for repatriation of the full sale proceeds to Pakistan just after the close of the fair to the satisfaction of the Bank. Further, besides repatriation of the declared value of the goods sold at the fair, we shall also be responsible to remit back to Pakistan the amount which is remitted by us form Pakistan on account of space rent etc. or is carried by our representative (s) for payment of advance deposit, Customs duty, Sales tax,

OR

that we shall send the goods only for exhibition/display as the sale of exhibits is not permitted by the fair authorities and will re-import the same after close of the fair. However, in case the goods are sold, we shall repatriate the sale proceeds and produce the bank encashment certificate to the concerned authorities. Further, we shall render account for amount remitted for construction of pavilion duly supported by receipt/vouchers soon after arrival,

(iii) that in determining the quantity of the goods to be sent by us to the Fair, we shall keep in view the size of our stall and shall not under any circumstances ship goods in excessive quantities unless we have made adequate storage arrangements for such goods,

(iv) that we shall make adequate arrangements for payment of advance deposit, duty and taxes, if required by the authorities before the release of our goods meant for the display/sale at the Fair,

(v) that we shall set up a presentable stall at the Fair in consultation with the Commercial Secretary, Embassy/High Commission of Pakistan, or any other officer as may be deputed for this purpose,

(vi) that instead of concentrating on spot sales we shall try to book orders for regular supply,

(vii) that we shall not render into any un-healthy competition with the Pakistani exporters at the Fair which may result in reduction of the prices of Pakistani products,

(viii) that we shall fully brief our representative of the Fair Rules and that he shall abide by them in their true spirit and will not act in any manner prejudicial to Pakistan's interests and prestige in the host country. He shall pay advance deposit or duty as may be required by the authorities of the host country and shall not seek any exemption or relaxation in the matter of such payment or for any sort of guarantee from the Pakistan Embassy/High Commission. During the exhibition, under no circumstances we shall use the name of Pakistan and fly national flag at our pavilion without prior permission,

(ix) that we shall submit to the authorities Bill of Entry evidencing re-import of unsold exhibits within four months from the date of close of fair and in case the goods are sold, certified account sale will be produced by us,

(x) that our representative shall submit to State Bank a detailed report of our participation in the Fair within three month of the closing of Fair. The report so submitted shall indicate the value of goods sold and orders booked at the Fair.

(xi) that our firm shall be liable to any penal action as may be deemed appropriate by the State Bank of Pakistan in case of any infringement of above mentioned conditions.

AUTHORIZED SIGNATURE AND
STAMP OF FIRM

AUTHORITY LETTER FOR ISSUE OF TICKET FOR PARTICIPATION IN THE INTERNATIONAL TRADE FAIRS/EXHIBITIONS ABROAD

Mr./Mrs./Miss .....
(Title)
of M/s. .....
(Name, full address of the exporters)
holding passport No. ..... issued at .....
(Place of issue)
on ..... is proceeding to .....
(Date of issue) (Name of country (ies))
to participate in the International Trade Fair/Exhibition as an authorized representative of the firm/company named above. You are requested to issue him a return air ticket. Cost of ticket will be paid through a cheque drawn on official account of M/s. ..... maintained with .....

STAMP, SIGNATURE OF THE AUTHORIZED DEALER

TO
M/s.....
(Airlines/Travel Agent)

FORM "T"

FOREIGN EXCHANGE REGULATION ACT, 1947

APPLICATION FOR SPECIAL ALLOTMENT OF EXCHANGE FOR THE PURPOSE OF TRAVELLING OUTSIDE PAKISTAN FOR BUSINESS REASONS.

1. In applying for the facilities set out in Para 3 below I, ...do hereby
(Full name of applicant)
declare that the journey to which this application relates is to be made solely for the purpose described in para 2 below and that the length of time I propose to remain abroad is the minimum necessary for that purpose and I acknowledge that I have been notified that the following conditions, will, pursuant to section 4(3) of the Foreign Exchange Regulation Act, 1947, apply to the use of any foreign exchange for which I now make application:-

(i) That such foreign exchange shall not be expended for purposes other than the cost of my own living expenses, entertainment for business purposes, and normal transport in the countries to be visited.

(ii) That on my return to Pakistan I will make immediate arrangements with the authorized dealer through whom I obtain the foreign exchange for the resale of the foreign exchange which may be unutilized.

(iii) That I further declare hereunder:-

(a) I have not drawn any exchange through any other office of the State Bank for this journey.

(b) I have not drawn any exchange in connection with the business of any other sister concern with which I am associated financially or otherwise in respect of this journey.

(c) I and other representatives of the firm have made the following business visits abroad during the last one year:

Date	Name of the representative	Amount of exchange drawn	Countries visited

(d) The firm or the Company has its principal office at ..... and corresponds with the State Bank of Pakistan Office at ..... only for the purpose of exchange control matters.

2. PURPOSE OF JOURNEY: (PLEASE READ CAREFULLY THE NOTE BELOW)

(a) Please give below a precise description of the purpose of the journey, including full details of the business to be transacted indicating the centres to be visited and the time to be spent at each centre. In addition should a previous application have been approved in respect of the same journey, the reasons for the prolongation of the journey should be stated and reference to the previous application and sanction should be quoted.

P.T.O.

(b) If the object of the journey is to arrange imports, the value thereof should not, in any case be less than Rs. 0.5 million. In support of the request either a valid import license or orders for supply of capital goods placed by a Government/ Semi-Government Agency including Autonomous Corporation/Taken Over Industry should be produced. Where import is being financed by a loan giving agency in Pakistan or import is being made under PAYE Scheme, a letter from the loan giving agency confirming sanction of the loan or IBP's approval letter, as the case may be, should be attached.

(c) If the object of the journey is to establish contracts with foreign exporters for obtaining agencies, a statement showing total commission earned in foreign exchange during the preceding calendar year or the year immediately preceding the month of application, duly certified by the applicant's bankers, should be attached.

(d) If the object of the journey is to expand exports, a statement showing total value of exports and value realized during the preceding calendar year, duly certified by the bankers of the applicant, should be produced. In case there are any overdues against the exporter, value thereof and the reasons for non-repatriation and the period within which it is expected to be realized should be indicated therein.

(e) If the visit is connected with the setting up of a new industrial undertaking the permission of the same from the Federal/Provincial Government may be submitted.

(f) In all cases names and addresses of parties in foreign countries whom the applicant intends to contact should be stated. Correspondence with such parties relevant to this application must be attached for examination.

(g) Confidential report of the bankers on the financial means, and status of the applicant should be enclosed.

3. PERIOD OF STAY (specify exactly):

COUNTRY	**No. of days**	**Exchange required**
.....	.....	.....
.....	.....	.....
.....	.....	.....
.....	.....	.....

(Contd.)

Name of Applicant .....
(In block letters)

Complete Address .....

Designation and Technical Qualifications .....

Passport No. with date and place of issue .....

Approximate date of departure ..... and return .....

Date ..... Signature of applicant (Traveler).....

4. Declaration to be signed on behalf of the firm or company whom the traveler is representing by person/s authorized to sign on their banking account or by persons specially authorized to sign these applications on their behalf.

We ..... hereby declare that the journey to which this
(Name of Firm and Company)
application relates is being undertaken on our behalf and the total cost is being charged to us.

Date ....
(Stamp and Signature (s) of the Firm/Company).

CERTIFICATE OF THE AUTHORIZED DEALER

5. To the best of our knowledge and belief the statements made on this application regarding the purpose and the duration of the journey to be undertaken and declaration of the firm or company sponsoring the journey are true.

Date ....
(Stamp and Signature of the Authorized Dealer)

APPLICATION FOR BLANKET PERMISSION FOR BUSINESS TRAVEL ABROAD

FORM B.T.
(To be completed in duplicate)

The .....
Foreign Exchange Operations Department,
SBP-Banking Services Corporation,
Head Office,
Karachi

Dear Sir,

We, ...(Full name and address of the firm/company)

hereby apply for "BLANKET PERMISSION" for business travel abroad in respect of the following DIRECTORS/EXECUTIVES/PARTNERS/OFFICIALS of our firm/company:-

Sr. No.	Name and position held* with the firm/company	Passport Number/Date of issue and place of issue

* To be supported by suitable documentary evidence.

1. Business Travel undertaken by the above persons will be on our behalf and the total cost thereof will be charged to the firm/company.

2. A statement showing total value of exports made and value realized during the preceding calendar year/the year immediately preceding the month of this application duly certified by our Bankers is enclosed. A statement showing the particulars of our overdue exports and reasons for their non-repatriation and period within which these are expected to be realized is also attached.

3. We undertake to surrender the "BLANKET PERMISSION" on its expiry to the State Bank alongwith one detailed achievement report in respect of business visits undertaken under this authority. We also note that renewal of the Blanket Permission will depend on the State Bank being satisfied about the bonafides of the business trips undertaken and usefulness thereof for increased foreign exchange earnings on account of exports for the country.

Yours faithfully

Date. .....

(Signature & Stamp of firm/company)

(Contd.)

CERTIFICATE OF THE AUTHORIZED DEALER

The contents of the above application are hereby verified.

.....
(Name & Signature of the
Authorized Dealer)

Dated: .....

APPROVAL OF THE STATE BANK OF PAKISTAN

(Valid for One Year from the date of issue)

Blanket Permission for business travel abroad is hereby granted in favor of the following persons:-

Sr. No.	Name	Designation	Passport Number and date

This approval is subject to the following conditions:-

(1) Two representatives can travel at a time against this authority provided both of them are not travelling in one direction and their destinations are distinctly separate like one going to the West and other going to the East. This restriction is not applicable in the cases where one of the two representatives is a technical representative and his visit for the same destination is necessary.

(2) Payment for cost of ticket and for cost of Business Travel Quota against the authority should only be accepted through cheques drawn on firm/company's bank account.

(3) PTA/Tickets originating from abroad/rebated or complimentary tickets issued in Pakistan will not be valid for travel against this authority. In cases where an applicant for Blanket Permission is also a Director/Partner/Proprietor of a firm operating as a travel/ cargo agent and has received rebated/free tickets from an airline such tickets will be acceptable.

Date ..... ASSISTANT DIRECTOR

SBP Banking Services Corporation,
Foreign Exchange Operations Department,

NOTE: FOR ENDORSEMENT BY AUTHORIZED DEALERS, AIRLINES, SHIPPING COMPANIES AND TRAVEL AGENTS PLEASE SEE REVERSE

(Contd.)

ENDORSEMENT BY THE AIRLINES/TRAVEL AGENTS

Sr. No.	Date	Name of the travelers	Confirmed departure date	Route of Journey	Total value of the ticket	Name of Airline/ Travel Agency	Stamp and signature of the Airline/ Travel Agent

ENDORSEMENT BY THE AUTHORIZED DEALERS

Sr. No.	Name of the travelers	Passport Number date and Place o f issue	Total exchange released	Number of days for which exchange allowed	Stamp and signature of Authorized Dealer

The Manager
.....
.....

Date .....

Dear Sir,

In consideration of your issuing credit card to Mr. ..... our (Designation in the Company) ..... we, M/s. (Name of the Company) ..... hereby undertake as under:-

1. (i) Mr. ..... will abide by the rules and regulations and conditions laid down therein relating to operation of the above credit card,

   (ii) Avail of the facility of above credit card only for genuine business visit to countries other than Afghanistan undertaken by him on behalf of the above named firm/company against blanket permission No. ..... dated ..... granted by State Bank of Pakistan or T-2 Form certified by Chamber/Trade Organization and,

   (iii) Keep his expenses abroad within his entitlement of Business Travel Quota prescribed by State Bank of Pakistan from time to time.

2. We will produce to you his passport for verification not later than 15 days counted from the date of his return from abroad on each such visit.

3. We will surrender the above credit card to you not later than 15 days counted from the date his name is removed from the Blanket Permission or we cease to be a member of certifying Trade Organization.

4. In case of his failure to comply with any of the requirements specified above M/s. .....and the said Mr. ..... will render themselves liable for action under Foreign Exchange Regulation Act, 1947, besides withdrawal of facility of Credit Card.

Yours faithfully,

.....
(Signature of the authorized representative concerned)

.....
(Signature on behalf of the firm/ company with designation and seal)

Recommended. Certified that M/s. ..... are bonafide exporters.

.....
(Signature with official seal of Trade Organization)

STATEMENT SHOWING DETAILS OF UTILIZATION OF CREDIT CARDS FOR BUSINESS TRAVEL ABROAD FOR THE MONTH OF ……..

Sr. No.	Name of Business House	Name of Representative	Passport No. and Date	Credit Card No. & Date	Details of the Business	Countries Visited	Total Period of stay abroad with dates of Departure from and arrival in Pakistan	Cash Amount utilized (including initial release)
1	2	3	4	5	6	7	8	9

REMARKS
(Reference of Exchange Returns in which Sale of Foreign Exchange has been Reported/will be reported to the Control.

PARTICULARS TO BE FURNISHED BY STUDENTS PROCEEDING TO PLACES OUTSIDE PAKISTAN FOR STUDIES UNDER THEIR OWN ARRANGEMENTS

PERSONAL DATA

1. Full Name .....
2. Father/Husband's Name .....
3. Date and place of Birth .....
4. Full Address with Telephone Number, if any .....
5. Passport Number, Place and Date of Issue & Date of Expiry .....
   .....
6. Computerized National Identity Card Number/Form 'B' No. .....
7. Address in foreign country .....
8. Academic and technical qualifications .....

FINANCES

9. The source of remittance in Pakistan
   (a) Name, Nationality and Address of Financier in Pakistan .....
   .....
   .....
   (b) Contact No. (Landline & Mobile) .....
   (b) Exact relationship with the Financier .....

STUDIES ABROAD AND EXCHANGE REQUIREMENTS

10. Subject of study abroad (letter of admission from Educational Institution should be attached) .....
11. Course for which enrolled. .....
12. Duration of the Course (indicate the number of years) .....
13. Name and full address of the University/Institution of study abroad. .....
    .....
14. Foreign exchange requirements (Please attach Educational Institution's letter showing the break-up of the expenditure). .....
15. Total amount of foreign exchange remitted for the above purpose during the current calendar year including the amount now applied for (in USD).
    .....

We hereby declare that the information given above is correct to the best of our knowledge and belief and that we have not already obtained/remitted foreign exchange nor have we made any other application for this purpose to any other branch/Authorized Dealer during the current calendar year. We undertake that in case any information furnished by us is found to be incorrect we will render ourselves liable to action under the Foreign Exchange Regulation Act, 1947.

Signature of the Financier……..
Full name and address……...
……
Dated .....

Signature of the student/parent/guardian……..
Full name and address……
……
……

APPLICATION FOR CONTINUATION/EXTENSION OF EXCHANGE FACILITY

1.	Name of the Student	.....
2.	Mailing address	.....
3.	Permanent address in Pakistan	.....
4.	Name and address of the financier/guardian in Pakistan	.....
5.	Name and address of the bank in Pakistan through which exchange facility for studies availed.	.....
6.	Particulars of last exchange permit	Permit No. Date Amount
7.	Name of college/university where currently enrolled	.....
8.	Date of first enrollment	.....
9.	Level and field of study	.....
10.	Year of completion of present course	.....
11.	Income from Scholarship/Fellowship/Assistantship/ Financial Aid, if any	.....
12.	Period for which exchange facility desired	.....
13.	Break-up of exchange requirement for one year	.....

(a)	Tuition Fees	$ .....
(b)	Compulsory/Mandatory Fees	$ .....
(c)	Books Allowance	$ .....
(d)	Maintenance Allowance	$ .....
	Sub-Total:	$
	Less	$ .....
(a)	Scholarship etc.	$ .....
(b)	Earnings	$ .....
(c)	Provisional Permit	$ .....
	Amount required	$

.....
Student's Signature

Date .....

CERTIFICATE OF CURRENT ENROLLMENT TO BE COMPLETED BY THE FOREIGN STUDENT ADVISOR OR ANY OTHER COMPETENT OFFICER OF THE INSTITUTION CONCERNED

This is to certify that the applicant is a bonafide full time student at this college/university and the statement furnished by him/her in the foregoing columns are true and correct.

If is further certified that the student is required to pay the following tuition fees and mandatory fees for the period from ..... to ..... .
(Month & Year) (Month & Year)

Tuition Fees (Semester/Quarter-wise) US$ .....

Mandatory Fees US$ .....

Total: SU$

Our brief remarks on the progress of the student are given hereunder:-

.....
(Signature of the Advisor)

Name in Print .....

Date .....

REGISTER OF TCs ISSUED

Sl. No.	Date of issue	Name of the Traveler	Purpose of visit	Particulars of the Passport			Particulars of the ticket		
				No.	Date of Issue	Place of issue	Name of Airline/ Shipping Company	Number	Date of Issue
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.

Sl. No. of TCS	Value of TCs with Currency			Authority/Approval No.	Initials
	Foreign Currency	Rate	Eqv. Pak. Rs.		
11.	12.	13.	14.	15.	16.

FORM 'J'

FOREIGN EXCHANGE REGULATION ACT, 1947 (VII of 1947)

Application for permission to take Jewellery, Precious Stones etc., out of Pakistan

I/We hereby apply for permission to take out of Pakistan the articles of Jewellery, Precious Stones etc., specified on the reverse of this Form to .....
(Country of Destination)

....
(Name of applicant) (Nationality)

STATEMENT OF PARTICULARS

1. How long resident in Pakistan .....

2. Reasons for stay in Pakistan (state nature of business, occupation or if residence is temporary, state the purpose) .....
.....

3. Reasons for taking out articles specified above outside Pakistan .....

4. Probable duration of stay outside Pakistan .....

5. Any other available information in support of application .....

6. Passport No. and date with place of issue .....

Date ....
(Signature of applicant/s)

Address .....

.....

.....

CERTIFICATE OF AUTHORIZED DEALER

We hereby certify that to the best of our knowledge and belief the above application is bonafide.

Date. ..... Stamp & Signature of Authorized Dealer.....

P.T.O.

Licence No. Dated.....

* Full description of articles (specifying in each case how it has been made)

Description of Articles	Value	How acquired	Where acquired	Date on which acquired
1.				
2.				
3.				
4.				
5.				
6.				
7.				
8.				
9.				
10.				
11.				
12.				
13.				
14.				
15.				

This is to certify that articles mentioned above are not made of pure gold and it is further added that captioned articles will be brought back to Pakistan on my return and necessary documentary evidence will be produced to control for perusal.

.....
(Signature of applicant/s)

Date .....

* The applicant must also complete the description of each article on page 3 of this Form.

(Contd.)

ORIGINAL
(To be surrendered to Customs)
Valid for one month from the date of issue

LICENCE No. Date .....

The Collector of Customs,
.....
.....

Dear Sir,

LICENCE TO TAKE OUT JEWELLERY, PRECIOUS STONES ETC., ON TEMPORARY POSTING/VISIT ABROAD

In exercise of the powers conferred by sub-section(2) of Section 8 of the Foreign Exchange Regulation Act, 1947 (VII of 1947) Mr. /Mrs. ..... is/are hereby authorized to take out of Pakistan the undernoted article(s) of Jewellery/Precious Stones etc:-

Sl. No.	Description of Article(s)	Value
1.	.....	.....
2.	.....	.....
3.	.....	.....
4.	.....	.....
5.	.....	.....
6.	.....	.....
7.	.....	.....
8.	.....	.....
9.	.....	.....
10.	.....	.....
11.	.....	.....
12.	.....	.....
13.	.....	.....
14.	.....	.....
15.	.....	.....
	Total Rs.	.....

State Bank of Pakistan,
Exchange Policy Department,

for STATE BANK OF PAKISTAN

DEPUTY DIRECTOR

DUPLICATE
(To be surrendered to Customs on return for certification)

LICENCE No. Date .....

The Collector of Customs,
.....
.....

Dear Sir,

LICENCE TO TAKE OUT JEWELLERY, PRECIOUS STONES ETC., DURING TEMPORARY POSTING/VISIT ABROAD

In exercise of the powers conferred by sub-section(2) of Section 8 of the Foreign Exchange Regulation Act, 1947 (VII of 1947) Mr. /Mrs. ..... is/are hereby authorized to take out of Pakistan the undernoted article(s) of Jewellery/Precious Stones etc:-

Sl. No.	Description of Article(s)	Value
1.	.....	.....
2.	.....	.....
3.	.....	.....
4.	.....	.....
5.	.....	.....
6.	.....	.....
7.	.....	.....
8.	.....	.....
9.	.....	.....
10.	.....	.....
11.	.....	.....
12.	.....	.....
13.	.....	.....
14.	.....	.....
15.	.....	.....
	Total Rs.	.....

State Bank of Pakistan,
Exchange Policy Department,
.....

for STATE BANK OF PAKISTAN

DEPUTY DIRECTOR

NOTE: On return the applicant will obtain an endorsement as appended from the Customs and surrender this permission to the issuing office of the State Bank within one month of his return from abroad.

CERTIFICATE OF PAKISTAN CUSTOMS

Certified that the article of jewellery mentioned above have been brought back into Pakistan.

CUSTOMS OFFICER

FORM 'CD'

DECLARATION FORM TO BE COMPLETED BY PERSONS LEAVING PAKISTAN

(Prescribed under Section 8(2) of the Foreign Exchange Regulation Act, 1947 vide Notification No. FE4/91-SB dated 26-2-1991).

I ..... hereby declare that at the time of leaving Pakistan, I am
(Name in block letters)
in possession of the following jewellery and precious stones:-

	Description	Approximate Value
1.	.....	.....
2.	.....	.....
3.	.....	.....
4.	.....	.....
Passport No.	.....	.....
Date & Place of Issue	.....	
Nationality	.....	
Address in Pakistan	.....	

I declare that the information furnished by me above is correct and in the event of its being not correct, I hold myself liable for such action as may be deemed fit under the Foreign Exchange Regulation Act, 1947.

Signature

For Official Use
Checked
Customs Officer
Dated

REPAYMENT SCHEDULE

1. Name and Address of Borrower.

2. Name and Address of Lender.

3. Date of Contract.

4. Amount of Loan.

5. Rate of Interest.

6. Reference of Board of Investment/Ministry of Finance/State Bank of Pakistan approving/registering the contract.

S. No. of Instalment	Due Date	Amount Due Principal/Interest
Total :-		

Dated:

Signature of Borrower

It is certified that the above information has been verified with the approved contract and* Exchange Entitlement Certificate issued by the State Bank of Pakistan and found in order.

Dated :

Signature & Name of the Authorized Dealer

Registered under REGISTRATION NO.

Dated:

DEPUTY DIRECTOR

*Delete where not applicable

REMITTANCE APPLICATION UNDER "PAYE" SCHEME

1. Name of the Importer .....

2. No and date of Department of Investment Promotion & Supplies/Board of Investment Permission letter and approval of contract by them. (enclose a copy of the letter for ready reference). ....

	Amount in					
	Foreign Currency			Pakistan Currency		
	Million	Thou.	Unit.	Million	Thou.	Unit.

3. Value of plant and machinery imported under the above sanction as per Exchange Entitlement Certificate issued by the State Bank.

4. Net FOB value of export proceeds realized and repatriated to Pakistan during ..... (period between the last and present application) as per Export Realization Certificate.

5. 50% of export earnings mentioned against column 4 above.

6. Carry forward of remittable amount from the previous application, if any.

7. Amount available for financing remittances of (i) Principal (ii) Interest (iii) Royalty, Technical fee and incidental charges (i.e. 5+ 6 above).

Less:

Remittances made on account of royalty/technical fee and incidental charges during the period from the date of last application to present application.

Amount available for financing the remittances of principal/Interest now applied for.

8. Amount of remittance now applied for.

(a) Principal Rs. .....

(b). Interest less taxes. Rs. .....

Rs. .....

APPLICANT

Date .....

P.T.O.

9. Authorized Dealer's Certificate.

Certified that the amount of export proceeds as mentioned and repatriated to Pakistan and given against column 4 have been verified and found correct. Details of export proceeds realized and repatriated in respect of exports made under "PAYE" Scheme from the date of the last application for remittance upto the date of this application are given in the enclosed Export Realization Certificate.

(Stamp and Signature of Authorized Dealer)

10. For use at State Bank Office:

(i) Date of approval of remittance.

(ii) Amount approved for remittance:

(a) Principal.

(b) Interest.

(c) Amount of Penalty deposited in State Bank to the credit of Federal Government (in case of shortfall). Rs. .....

.....
ASSISTANT DIRECTOR

STATEMENT SHOWING F.O.B PROCEEDS REPATRIATED TO PAKISTAN OF GOODS MANUFACTURED AND EXPORTED BY THE UNIT, SET UP OR EXPANDED UNDER THE PAYE SCHEME FROM .....TO.....(FROM THE DATE OF LAST APPLICATION TO THE PRESENT ONE)

NAME OF THE COMPANY.....

Date of Export	E Form No .	Net FOB proceeds realized and repatriated to Pakistan	Particulars of schedule in which transaction reported to State Bank	Remarks

Signature .....
(Authorized Dealer)

Date .....

REMITTANCE UNDER PAY-AS-YOU-EARN SCHEME---LOAN CONTRACTED FOR MAKING DOWN PAYMENT

Name of the Importer .....

(For State Bank's use)

For the month .....

Authorized Dealer ....

Currency of Payment .....Country.....

(Amount in Foreign Currency)

	Amount		
Amount of Loan	Million	Thou	Unit
Remittances Allowed on A/c. of Repayment of Principal.			
Upto the End of Previous Month			
During the month			
Progressive Total			
Remittances Allowed on A/c. of Repayment of Interest.			
Upto the End of Previous Month			
During the Month			
Progressive Total			

.....

(Stamp and Signature of Authorized Dealer)

REMITTANCE UNDER PAY- AS -YOU - EARN SCHEME

For the month ending.....

Name of the Importer .....

(For State Bank's use)

Month in which Machinery Imported .....

Authorized Dealer .....

Currency of Repayment .....

Country of Import .....

Country of Lender .....

Description of machinery .....

(Amount in Foreign Currency)

	Amount		
	Million	Thou.	Unit
Value of Machinery (Net of down payment) as registered in the Contract.			
Amount of down payment made.			

Remittances made on account of Principal repayment.

Upto the End of Previous Month			
During the month			
Progressive Total			

Remittances made on account of Interest.

Upto the End of Previous Month			
During the Month			
Progressive Total			

.....

(Stamp and Signature of Authorized Dealer)

STATEMENT SHOWING DISBURSEMENT AND REPAYMENT OF FOREIGN CURRENCY LOANS CONTRACTED AND REGISTERED WITH AUTHORIZED DEALERS

1. Name of Authorized Dealer : .....
2. No. & Date of Agreement : .....
3. Registration No. & its date : .....
4. Name & Address of Borrower : .....
5. Name & Address of lender : .....
6. Loan Amount : .....
7. Rate of Interest : .....
8. Period of Loan : .....
9. Details of disbursement (Proceeds Realization Certificate (s) enclosed in original). : Date Amount

10. Repayment Period:

Sl. No.	Due date of Installments	Principal Amount ( )	Interest Amount ( )	Total Foreign Currency.
1.	2.	3	4.	5.
Total:				

STAMP & SIGNATURE OF BORROWER

It is certified that the above information has been verified with the agreement registered by us and our record and found in order.

STAMP & SIGNATURE OF AUTHORIZED DEALER

Monthly Statement Showing Foreign Currency Borrowing (FCY) of the Bank under FE Circular No. 03 of 2007

(to be submitted by the 5th of the following month)

Month	Bank Name	Currency Code	Transaction Country Code	Purpose Code*	Amount

* Purpose code (as per list) specifies head against which the information is required.

NAME OF THE AUTHORIZED DEALER .....

STATEMENT SHOWING REMITTANCES ALLOWED DURING THE MONTH ..... ON ACCOUNT OF BANK GUARANTEES ETC. FURNISHED BY AUTHORIZED DEALERS AND PAKISTAN INSURANCE CORPORATION.

Sl. No.	Name of the party on whose behalf bank guarantee etc. was issued	Name of the foreign Govt./ Govt. agency/ etc. to whom guarantee/bond was furnished	Date of issue of guarantee/ bond	Amount of guarantee/ bond	Amount of remittance effected	Particulars of documents Enclosed

.....
Stamp & Signature of Authorized Dealer

Date .....

REGISTRATION OF SHARES HELD BY 'PERSONS RESIDENT OUTSIDE PAKISTAN'

NAME OF THE COMPANY .....

SL. No.	Name & Address of the share holder	Nationality	No. of shares held	value
1	2	3	4	5
TOTAL:-				

DIRECTOR/SECRETARY

APP. V	95A

Monthly Statement Showing Shares Registered and held by 'Persons/ Entities Resident Outside Pakistan'

Month	Bank Name	Company Name	NTN	CPEC/ Non-CPEC	S. #	Shareholder Name	Shareholder Address	Shareholder Nationality (Country Code)	No. of Shares Held	Total no. of shares held till date

% of Total Equity	SBP's Shares Reg. No. and Date	Currency Code	Subscription Price	Total PKR Value	FCY in Equivalent PKR Retained in	
					Onshore A/C	Offshore A/ C

APPLICATION FOR ISSUE AND EXPORT OF BONUS SHARES TO NON-RESIDENT SHAREHOLDERS OF M/S _____
FOR THE YEAR/PERIOD ENDED _____

(Figures in Rupees)

Sl. No.	Name, Nationality and Address of the non-resident Shareholders	No. and Value of Shares held	State Bank's approval No. and date/Reference of Company's designated Authorised Dealer's letter through which the issue/transfer of shares under general permission was intimated alongwith requisite documents to the State Bank.	Rate of Bonus Issue	Bonus Shares Entitlement/ Bonus Shares issued	Holding after issue of Bonus Shares (No. and value of Shares)	Remarks
1.	2.	3.	4.	5.	6.	7.	8.

CERTIFIED THAT:-

1. (i) The shares mentioned in Column 3 are held by non-resident shareholders other than Indian on Repatriable Basis and stand registered at their foreign address (other than Indian) as given in Column 2 under the specific/general permission of the State Bank of Pakistan, quoted against each under Column 4.

   (ii) In case of issue/transfer of shares under general permission, the requirements as contained in Chapter 20 of Foreign Exchange Manual have already been fully complied with/necessary documents are enclosed with this application.

   (iii) The above bonus shares have been declared by the Directors/Shareholders of the Company in the Board of Directors/Annual General Meeting held on_____out of free reserves of the company for the year/period ended_____as disclosed by the audited Annual/Interim Profit & Loss Account for the year/period ended_____after making adequate provision for tax and other liabilities or any other un-distributed profits as are available for declaration of bonus shares.

2. We undertake that in case any discrepancy is subsequently detected by the State Bank of Pakistan in the allotment/issuance of bonus shares by us, we shall forthwith on demand by the State Bank of Pakistan, arrange for repatriation of the relative amount to Pakistan by our foreign collaborators/shareholders concerned through normal banking channel.

3. Two copies of the audited annual/interim Profit & Loss Account and Balance Sheet togetherwith two certified copies of company's Directors/ Shareholders resolution declaring the above bonus shares as well as Auditor's Certificate in respect of free reserves are enclosed.

Place _____ Date _____ M/s. _____

CERTIFIED THAT the information furnished above by the company including those given against item (i) to (iii) of Paragraph-1 of the above certificate has been verified by us and found to be correct.

Date: _____

SIGNATURE & STAMP OF
AUDITORS

Date: _____

SIGNATURE & STAMP OF
AUTHORIZED DEALERS

APP. V	96A

Monthly Statement Showing Issue and Export of Bonus Shares to Non-resident Shareholders

Amount in Rupees

Month	Bank Name	Company Name	NTN	CPEC/ Non-CPEC	S. #	Non-resident Shareholders			No. of Shares Held	Value of Shares Held	% of Total Equity
						Name	Nationality (Country Code)	Address			

SBP's Acknow. No. and Date	Rate of Bonus Issue %	Bonus Shares Entitlement	Bonus Shares Issued	Holding after Issue of Bonus Shares		Pertains to Financial Statement of Quarter/ Years of
				No. of Shares	Value of Shares	

STATISTICS AND DATA WAREHOUSE DEPARTMENT

WEEKLY STATEMENT SHOWING INFLOW/OUTFLOW AND OPENING/CLOSING BALANCES IN THE SPECIAL CONVERTIBLE RUPEE ACCOUNT (SCRA)
FOR THE WEEK ENDED ON _____

Bank-wise

(Million Rupees)

	Opening Balance Date			Total Credit during the Period				Total Debit during the Period				Closing Balances Date		
Accounts Holders	SCRA	Market Value of Shares Securities	Market Value of Shares Securities of Future Trading	Inward Remittances	Sale Proceeds of Shares Securities Future Trading	Dividend received through designated Bank		Outward Remittances	Investment in Shares Securities Future Trading	Tax etc.	Stamp Money	SCRA	Market Value of Shares Securities	Market Value of Shares Securities of Future Trading
Total														

APP. V	97A

DAILY STATEMENT SHOWING INFLOW/OUTFLOW
IN THE SPECIAL CONVERTIBLE RUPEE ACCOUNT (SCRA)

Date:- _____

Name of the Bank _____

S. No	Country	Inward Remittance for				Outward Remittances of				Net Remittances			
		Equity	T. Bills	PIBs	Others	Equity	T. Bills	PIBs	Others	Equity	T. Bills	PIBs	Others
1	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**	**13**	**14**
1													
2													
3													
4													
5													
6													
7													
8													
9													
10													
11													
12													
13													
14													
15													
TOTAL		-				-				-			

Note:-
All securities admissible under SCRA except Equity,T.bills and PIBs may be classified under the head Others

STATEMENT OF SHARES/SECURITIES DEPOSITED AT CENTRAL DEPOSITORY COMPANY (CDC)

A. Name of the Security and the Issuer (Company):_____(Figures in Rupees) B. Ex-Date for Dividend/Bonus/Right: _____

Name & address of the participant i.e. person/company operating CDS at CDC for the Non-resident Investor	Name of Non-resident investor with his foreign address and No. of Special Convertible Rupee Account if any with name of the Authorized Dealer concerned.	Account/Sub-account No. at CDC	No. of shares/ securities held at CDC on close of business on Ex-Date
1.	2.	3.	4.

Dated: _____

Central Depository Company (CDC)

UNDERTAKING-CUM-CERTIFICATE REGARDING SHARES HELD AT CENTRAL DEPOSITORY COMPANY (CDC) ON REPATRIABLE BASIS BY NON-RESIDENTS MAINTAINING SPECIAL CONVERTIBLE RUPEE ACCOUNTS (SCRAs)

We hereby certify that our below mentioned non-resident clients maintaining Special Convertible Rupee Accounts (SCRAs) with us hold shares of_____
(Name of company)
as indicated against each at Central Depository Company on repatriable basis and that he/ they was/were eligible under Foreign Exchange Regulations to make investment in Pakistan. It is further certified that the requirements of Foreign Exchange Regulations of State Bank of Pakistan including those of F.E. Circular No.7 dated 28-3-1998 have been fully complied with and that we are in possession of all the original prescribed/required documents regarding investment in these shares:-

Name of Client	Foreign Address	SCR A/c No.	Total holding in shares on (Ex-date)
_____	_____	_____	_____

2. We undertake that in case any discrepancy is subsequently detected by the State Bank of Pakistan, CDC or the company/its auditors in the aforesaid shareholding, we shall forthwith on demand by the State Bank of Pakistan, arrange for repatriation of the relative amount to Pakistan through normal banking channels.

Date _____

The Stamp & Signature of the
Authorized Dealer

Original

Duplicate

FOREIGN EXCHANGE REGULATION ACT, 1947 (VII OF 1947)

Return of Securities required to be submitted under Government of Pakistan Notification No. 1 (1)-2.EF/56 dated the 1st August, 1956.

(a)	Full name and address of the owner by whom or on whose behalf the return is made	....
(b)	Description of the Security in full including particulars as to whether it is a bearer bond registered or inscribed stock etc.	....
(c)	Nominal amount of the security.	.....
(d)	Whether the Security is free or encumbered and if the latter, full details of the nature of the encumbrance including the amount of loans or advances, if any, which have been taken against the security and the currency in which and the names and address of the persons from whom they have been taken.	....
(e)	Place in which and name of the person with whom the security is deposited.	.....
(f)	Full name and address of the person for whose account the security is held (in case a person other than the owner is making the return.	.... (Full name and address)

.....
(Signature of owner or agent).

Place .....
Date.....

Stamp of the bank or stock-broker through whom the return is lodged with State Bank of Pakistan.

Note:- This return (original and duplicate both completed) may be submitted to the State Bank of Pakistan either direct at any of its offices or through any bank or recognized stock-broker. In the latter case the bank or broker will stamp the return with his name stamp. A separate form must be used for each security.

STATEMENT OF COMMISSION IN RESPECT OF PAYMENT
RECEIVED FROM PRINCIPALS

DURING THE HALF-YEAR ENDED .....
NAME OF THE INDENTOR/AGENT .....

Sl. No.	Name and address of the Importer	Name and address of foreign supplier	Nature of the goods indented	Value of goods C & F or FOB		Rate of Commission	Commission earned during half- year		Name of the Authorized Dealer through whom received
							Repatriated	Yet to be Repatriated	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8-a)	(8-b)	(9)

Note: Encashment Certificates from the Authorized Dealers concerned should be attached in support of the amounts repatriated.

STAMP AND SIGNATURE

STATEMENT FOR THE HALF-YEAR ENDED .....
NAME OF THE TOUR OPERATOR/TRAVEL AGENT .....
ADDRESS .....

Sl. No.	Name and Address of foreign counter-parts/airlines on whose account tours operated	No. of tourists handled	Name of the airline and flight number on which arrived	Date of arrival	Date of Departure	Name of the hotel where stayed	Whether under the Agency Agreement or under special terms and conditions	Amount contr-acted	Amount and date of reali-sation.	Name and address of the Bank in Pakistan through which amount realized	For use in S.B.P.
											Initials of SBP officer in token of verification

Stamp & Signature

In case business conducted under special terms and conditions, the authenticated copies of the related correspondence through which the rates of tours have been finalized should be enclosed.

STATEMENT FOR THE HALF-YEAR ENDED .....
NAME OF THE TRADE MARK AGENT/ATTORNEY .....
ADDRESS .....

Sl. No.	Name and Address of foreign clients on whose account business undertaken	Registration No. of Patents/Designs/ Trade Marks with the Patent Office/ Trade Mark Registry	*whether under the standing arrangements or under special terms and conditions	Amount contracted		Amount and date of realization.	Name and address of the Bank in Pakistan through which amount realized	For use in S.B.P.
				Government fees	Own professional fees and other expenses			Initials of SBP officer in token of verification

Stamp & Signature

*In case business conducted under special terms and conditions, the authenticated copies of the related correspondence through which fees for registration of Patents/Designs/Trade Marks, etc., have been finalized should be enclosed.

STATEMENT S -I

(Foreign Currency)

(For SBP use only)

Statement of transactions for the period ended:_____

Authorized Dealer:_____

Currency:_____

Country:_____

PURCHASES	For State Bank's Use	Amount Million	Th.	Units
1. Exports (Schedule 'A-1/A-2/A-3')	8880			
2. Receipts other than Exports covered by Form 'R' and IRV (Schedule 'J/o-3')	9991			
Sub-Total				
Exchange Transfers and Adjustments:-				
3. Purchases from overseas branches and correspondents for credit of the rupee equivalent to non-resident bank rupee account (Schedule 'H')	6010			
4. Purchases against sales of other foreign currencies (Schedule 'B')	6011			
5. Purchases from other Authorized Dealers and Branches in Pakistan maintaining a separate currency position (Schedule 'C')	6012			
6 Purchases from other Exchange Companies in Pakistan maintaining a separate currency position	**6017**			
7 Purchases from State Bank of Pakistan (Schedule 'D')	6013			
8 Branch transactions adjusted through this account (Schedule 'O')	6014			
9 Payments on account of others (For State Bank of Pakistan's use only)	6015			
TOTAL				
* Opening Balance (Cr.)				
Trade Nostro	6210			
Currency & Deposits Nostro	6211			
* Closing Balance (Dr.)				
Trade Nostro	6410			
Currency & Deposits Nostro	6411			
GRAND TOTAL				

S A L E S				
1. Imports (Schedule 'E-2/EL-2/El-3')	0000			
2. Travel (Schedule 'E-3')	1001			
3. Miscellaneous (Schedule 'E-4/P-4')	1002			
Sub-Total				
Exchange Transfers and Adjustments:-				
4. Sales of foreign currencies to the debit of non-resident bank account**	2010			
5. Sales against purchases of foreign currencies (Schedule 'F')	2011			
6. Sales to other Authorized Dealers and Branches in Pakistan maintaining a separate currency position (Schedule 'G')	2012			
7. Sales to State Banks (Schedule 'D')	2013			
8. Branch transactions adjusted through this account (Schedule 'P')	2015			
9. Receipts on account of others (For State Bank of Pakistan's use only)	2014			
TOTAL				
* Opening Balance (Dr.)				
Trade Nostro	2210			
Currency & Deposits Nostro	2211			
* Closing Balance (Cr.)				
Trade Nostro	2410			
Currency & Deposits Nostro	2411			
GRAND TOTAL				

(a) Total of currency must agree with those reported on Schedule 'M' attached to S-4 Statement

* Delete not applicable

Stamp and Signature of Authorized Dealer

STATEMENT S-4

(For S.B.P. use only)

(Rupee Account of Non-resident Bank Branches and Correspondents)

Statement of transactions for the period ended ....

Authorized Dealer ....

Currency .....

Country .....

DEBITS i.e. RECEIPTS		For State Bank's use	Amount		
			Million	Th.	Units
1.	Exports (Schedules A-1, A-2, A-3)	8880			
2.	Receipts covered by Form 'R' and IRV other than exports (Schedule 'J')	9991			
	Sub-Total				
Exchange Transfers and Adjustments:-					
3.	Debit against transfers to other Non-resident Accounts (Schedule 'L')	7010			
4.	Debit against sales of foreign currencies (Schedule 'M')	7011			
5.	Debit R.B.I. Account at S.B.P. (Schedule 'D')	7012			
6.	Branch transactions adjusted through this Account (Schedule 'O')	7013			
7.	Payments on account of other (For State Bank of Pakistan's use only)	7014			
	TOTAL				
	* Opening Balance (Dr.)	7210			
	* Closing Balance (Cr.)	7410			
	GRAND TOTAL				

CREDITS i.e. PAYMENTS					
1.	Imports (Schedules E-2)	0000			
2.	Travel (Schedule E-3)	1001			
3.	(Miscellaneous (Schedule E-4)	1002			
	Sub-Total				
Exchange Transfers and Adjustments:-					
4.	Credit against transfers from other Non-resident Account (Schedule 'R')	3010			
5.	Credit against purchases of foreign currencies**	3011			
6.	Credit from R.B.I. Account at S.B.P. (Schedule 'D')	3012			
7.	Branch transactions adjusted through this account (Schedule 'P')	3014			
8.	Receipts on account of others (For State Bank of Pakistan's use only)	3013			
	TOTAL				
	* Opening Balance (Cr.)	3210			
	* Closing Balance (Dr.)	3410			
	GRAND TOTAL				

** Total must agree with the rupee amounts on Schedule 'H' attached to S-1 Statement.

* Delete not applicable.

Stamp and Signature of Authorized Dealer

STATEMENT S -6

(Foreign Currency Notes)

(For SBP use only)

Statement for the period ended:_____

Authorized Dealer:_____

Currency:_____

Country:_____

PURCHASES	For State Bank's Use	Amount		
		Million	Th.	Units
1. Cash Exports (Schedule A-2)	8880			
2. From Public covered by Form R and IRV (Schedule 'J')	9991			
3. Purchases from banks in Pakistan (Schedule 'C' attached)	6012			
4 Purchases from Exchange Companies in Pakistan	**6018**			
5 Contra to Purchases from abroad	6016			
TOTAL				
6 Opening Balance (Cr.)				
Trade	6225			
Currency & Deposits	6226			
GRAND TOTAL				

S A L E S

1. Sales to Public (Schedule 'E-3')	1001			
2. Sales to Banks in Pakistan (Schedule 'G')	2012			
3. Contra to Sales abroad	2016			
TOTAL				
4. Closing Balance (Cr.)				
Trade	2425			
Currency & Deposits	2426			
GRAND TOTAL				

SCHEDULE A-1/O-1

Export (Realized)

PERIOD:
AUTHORIZED DEALER:
CURRENCY:

Sr. No.	Sr. No. E Form	Unit	Quantity	Price per Unit	Amount			Code Number		Inco Terms	NTN
					Million	Th.	Units	Country	Commodity		
Total											

Checked By:
Coded By:

Stamp and Signature of Authorized Dealer

SCHEDULE A-2/O-2

Export (Part Payment/Advance Receipt/Cash)

PERIOD:
AUTHORIZED DEALER:
CURRENCY:

Sr. No.	Sr. No. APV	Unit	Quantity	Price per Unit	Amount			Code Number		Inco Terms	NTN
					Million	Th.	Units	Country	Commodity		
Total											

Checked By:
Coded By:

Stamp and Signature of Authorized Dealer

SCHEDULE A-3/O-3

Re-Export

PERIOD:
AUTHORIZED DEALER:
CURRENCY:

Sr. No.	Sr. No. E Form/APV	Unit	Quantity	Price per Unit	Amount			Code Number		Inco Terms	NTN
					Million	Th.	Units	Country	Commodity		
Total											

Checked By:
Coded By:

Stamp and Signature of Authorized Dealer

SCHEDULE J/O-3

Period……

Authorized Dealer……

Currency……

Serial No.	Form R/IRV Number	Amount	Purpose	NTN of the Beneficiary	Code Number		
					Country of the Immediate Remitter	Status of the Immediate Remitter*	Country of Ultimate Controlling Parent/Head Office**
1	2	3	4	5	6	7	8
	Total						

* UCP or Head Office or ultimate remitter=1, Branch=2, Subsidiary=3, Associate=4, Agent/bank=5, Individual=6

** Insert the code of country of the Ultimate Controlling Parent (UCP)/Head Office if the immediate remitter in Col 7 is an agent, subsidiary, branch, associate of the UCP.

Checked By:

Coded By:

Stamp and Signature of Authorized Dealer

SCHEDULE E-2/P-2

Imports

PERIOD:
AUTHORIZED DEALER:
CURRENCY:

Date Duplicate Received	I Form No.	Unit	Quantity	Price per Unit	Amount in Currency			Code Number			Inco Terms	NTN
					Million	Th.	Units	Country	Commodity	Department		
Total												

Checked By:
Coded By:

Stamp and Signature of Authorized Dealer

SCHEDULE E-3/P-3
Travel Payments

PERIOD:

AUTHORIZED DEALER:

CURRENCY:

Serial No.	T-1 Form No./ Withdrawal from FC Account	Amount in Currency			Code			NTN
		Million	Th.	Units	Country	Commodity	Department	
	Total							

Checked By:
Coded By:

Stamp and Signature of Authorized Dealer

SCHEDULE E-4/P-4
Invisible & Capital Payments

PERIOD:

AUTHORIZED DEALER:

CURRENCY:

Serial No.	Date of Remittance	M Form No.	Amount in Currency			Code			NTN
			Million	Th.	Units	Country	Commodity	Department	
	Total								

Checked By:
Coded By:

Stamp and Signature of Authorized Dealer

NAME OF AUTHORIZED DEALER.....

CURRENCY .....

EXPORT RECEIPTS: 'E' FORM NOT ATTACHED

Name and address of Exporter ....

'E' Form No. .....

Description of goods exported .....

Exported to .....

Amount .....

.....
Stamp and Signature of the Authorized Dealer

Date .....

SCHEDULE 'B'

CURRENCY PURCHASED AGAINST SALE OF OTHER FOREIGN CURRENCIES

(For S.B.P. use only)

PERIOD _____

AUTHORIZED DEALER _____

CURRENCY PURCHASED _____

No.	Date of Purchase	Name of Country	Amount of Currencies Sold				*Amount Purchased			Codes	
			Curr-ency	Million	Th.	Units	Million	Th.	Units	Country	Purpose
											6011
		Total									

*The total of this column will be listed against item No.4 of Purchase side of the relevant summary statement.

Stamp and Signature of Authorized Dealer

SCHEDULE 'C'

CURRENCY PURCHASED FROM OTHER AUTHORIZED DEALERS OR BRANCHES IN PAKISTAN MAINTAINING SEPARATE CURRENCY POSITION

(For S.B.P. use only)

PERIOD _____

AUTHORIZED DEALER _____

CURRENCY PURCHASED _____

COUNTRY _____

No.	Date	Authorized Dealer from whom the currency is purchased	Amount Purchased			Purpose
			Million.	Th.	Units	
						6012
		Total*				

*This total will be listed against item No. 5 of the purchase side of the relevant summary statement.

Stamp and Signature of Authorized Dealer

SCHEDULE 'D'

CURRENCY SOLD/PURCHASED TO/FROM STATE BANK OF PAKISTAN

(For S.B.P. use only)

PERIOD _____

AUTHORIZED DEALER _____

CURRENCY/PURCHASED/SOLD _____

COUNTRY _____

No.	Date	Amount			+ Purpose
		Million.	Th.	Units	
	Total				

+ In case of purchase give purpose code 6103 and for sale code No. 2013.
* Delete not applicable.

Stamp and Signature of Authorized Dealer

SCHEDULE 'F'

CURRENCY SOLD AGAINST PURCHASE OF OTHER FOREIGN CURRENCIES

(For S.B.P. use only)

PERIOD _____

AUTHORIZED DEALER _____

CURRENCY SOLD _____

No.	Date of Sale	Name of Country	Currencies Purchased				Amount Sold			Codes	
			Currency	Million	Th.	Units	Million	Th.	Units	Country	Purpose
											2011
		Total*									

* Grand total of this column will be listed against item '5' of Sale side of the relevant summary statement.

Stamp and Signature of Authorized Dealer

SCHEDULE 'G'

CURRENCY SOLD TO OTHER AUTHORIZED DEALERS OR BRANCHES IN PAKISTAN MAINTAINING SEPARATE CURRENCY POSITION

(For S.B.P. use only)

PERIOD _____

AUTHORIZED _____

DEALER CURRENCY _____

SOLD COUNTRY _____

No.	Date	Authorized Dealer to whom currency is sold	Amount sold			Purpose
			Million	Th.	Units	
						2012
		Total*				

*This total will be listed against item No. 6 on Sales side of the relevant summary statement.

Stamp and Signature of Authorized Dealer

SCHEDULE 'H'

DETAILS OF PURCHASES OF FOREIGN CURRENCIES FROM OVERSEAS BANK BRANCHES AND CORRESPONDENTS AGAINST CREDIT TO NON-RESIDENT RUPEE ACCOUNT

(For S.B.P. use only)

PERIOD _____

AUTHORIZED DEALER _____

CURRENCY PURCHASED _____

N.R. Rs. 1 9

Name and address of overseas bank/ correspondent to whose account the rupee equivalent is credited.	*Foreign Currency Amount			@ Country code	Purpose	** Rupee Amount			Purpose
	Million	Th.	Units			Million	Th.	Units	
					6010				3011
Total									

* Total of foreign currency will agree with the amount listed against item 3 of Purchase side of the relevant S-1 statement.

** Total of Rupee amount will be entered against item 5 of Sale side of S-4 statement.

@ Code number of the country from whom foreign currency is purchased should be given.

Stamp and Signature of Authorized Dealer

FORM – R

Foreign Exchange Regulation Act, 1947

DECLARATION IN RESPECT OF RECEIPTS ABOVE USD 10,000/- FOR PURPOSES OTHER THAN EXPORTS & FAMILY MAINTENANCE

I/We advise having received foreign Exchange from:

(a) Name & Address of the Immediate Remitter: _____

(b) Residence Country of Immediate Remitter: _____

(c) Status of Immediate Remitter:
(Ultimate Controlling Parent (UCP)/ Head office, Branch,
Agent, Subsidiary, Associate, Individual etc.) _____

(d) Name of Ultimate Controlling Parent (UCP),
if different from (a): _____

(e) Residence Country of
Ultimate Controlling Parent (UCP): _____

for the purpose *viz.*: _____

purpose code (insert the relevant code from the Code Guide): | | | | | | |

amounting to _____
(Name of currency and amount in figures and words)

Name of the Beneficiary: _____

Principal Business: _____

National Tax Number: _____

Address of the Beneficiary: _____

(Signature of the Beneficiary or his banker) (Stamp & Signature of Authorized Dealer)

INWARD REMITTANCE VOUCHER

DETAILS OF ALL INWARD REMITTANCES FOR FAMILY MAINTENANCE AND OTHER RECEIPTS UP-TO USD 10,000/- FOR PURPOSES OTHER THAN EXPORTS

(For S.B.P. use only)

PERIOD _____

AUTHORIZED DEALER _____

CURRENCY _____

(A.Ds' use)

COUNTRY _____

PURPOSE _____

Sl. No.	Amount			Sl. No.	Amount			Sl. No.	Amount		
	Million	Th.	Units		Million	Th.	Units		Million	Th.	Units
Total				**Total**				**Total**			

Stamp and Signature of Authorized Dealer

SCHEDULE 'K'

NAME OF AUTHORIZED DEALER .....

NON-RESIDENT RUPEE ACCOUNTS OTHER THAN BANK BRANCHES AND CORRESPONDENTS

For the period ended .....

Opening Balance Cr. Rs.

Dr. Rs.

Total Credits Rs.

Total Debits Rs.

Balance at the end of the Period

Cr. Rs.

Dr. Rs.

Stamp and Signature of Authorized Dealer

Date .....

SCHEDULE 'L'

DETAILS OF DEBITS TO NON-RESIDENT RUPEE ACCOUNT OF BANKS' BRANCHES AND CORRESPONDENTS COVERING TRANSFER TO OTHER NON-RESIDENT BANK ACCOUNT

(For S.B.P. use only)

PERIOD _____

AUTHORIZED DEALER _____

CURRENCY _____

Name and address of non-resident bank whose account with A.D. is debited	Name and address of bank whose account is credited	Name of AD with whom the account credited is kept	Amount Transferred			Country Code	Purpose
			Million	Th.	Units		
							7010
		*Total					

* Total will be entered against item No. 3 of Purchase side of relevant S-4 statement.

Stamp and Signature of Authorized Dealer

SCHEDULE 'M'

DETAIL OF SALE OF FOREIGN CURRENCIES TO OVERSEAS BANKS' BRANCHES AND CORRESPONDENTS AGAINST DEBIT TO NON-RESIDENT ACCOUNTS

(For S.B.P. use only)

PERIOD _____

AUTHORIZED DEALER _____

Non-resident Rupees CURRENCY 1 9 FOREIGN CURRENCY____

Name and address of the bank branch and correspondent whose account is debited	*Rupee Amount			@ Country code	Purpose Code	** Foreign Currency Amount			Purpose
	Million	Th.	Units			Million	Th.	Units	
					7011				2010
Total									

* Total of rupee amount will be entered against item 4 of Receipt side of S-4 statements.

** Foreign currency amount must agree with the amount listed against item 4 of Sale side of the relevant S-1 Statement.

@ Code number of the country to whom foreign currency is sold should be given.

……...

Stamp and Signature of Authorized Dealer

SCHEDULE 'N'

BALANCE IN THE RUPEE ACCOUNT OF NON-RESIDENT BANKS

(For S.B.P. use only)

PERIOD _____

AUTHORIZED DEALER _____

CURRENCY _____

Name and address of bank	Amount			Type of balance (Credit/Debit)	For State Bank's use	
	Million	Th.	Units		Country	*Purpose
Total						

* In case of credit balance use purpose code 7410 and for debit balance use the Code No. 3410.

Stamp and Signature of Authorized Dealer

SCHEDULE 'O'

(For S.B.P. use only)

PERIOD _____

AUTHORIZED DEALER _____

CURRENCY _____

Branch	Date of Branch Transaction	Amount			Branch	Date of Branch Transaction	Amount		
		Million	Th.	Units			Million	Th.	Units
	Total					**Total**			

Coded by:

Checked by:

Stamp and Signature of Authorized Dealer

SCHEDULE 'P'

PAYMENT ADVISED BY BRANCHES

(For S.B.P. use only)

PERIOD _____

AUTHORIZED DEALER _____

CURRENCY _____

Branch	Date of Branch Transaction	Amount			Branch	Date of Branch Transaction	Amount		
		Million	Th.	Units			Million	Th.	Units
	Total					**Total**			

Coded by:

Checked by:

Stamp and Signature of Authorized Dealer

SCHEDULE 'R'

DETAIL OF CREDITS TO NON-RESIDENT RUPEE ACCOUNT OF BANKS' BRANCHES AND CORRESPONDENTS COVERING TRANSFER FROM NON-RESIDENT BANK ACCOUNTS

(For S.B.P. use only)

PERIOD _____

AUTHORIZED DEALER _____

CURRENCY _____

Name and address of non-resident bank whose account with A.D. is credited	Name and address of non-resident bank whose account is debited	Name of AD with whom the account is kept	Amount transferred			For S.B.P. only	
			Million	Th.	Units	Country	Purpose
							3010
		***Total**					

* Total will agree with the amount shown against item 4 of Payment side of relevant S-4 Statement.

Stamp and Signature of Authorized Dealer

SCHEDULE LAC —NR

IMPORTS AND OTHER INVISIBLE PAYMENTS UNDER LOAN/AIDS/CREDITS ETC. (NON-REIMBURSABLE)

PERIOD _____

DESIGNATED BANK _____

PARTICULARS OF LOAN/AID/GRANT _____

CURRENCY _____

Date of Triplicate Received	Exchange Control Forms	Amount in currency			Code									
		Million	Th.	Units	Country				Commodity Or Purpose				Deptt.	

Total

Coded by

Checked by

Stamp and Signature of Designated Bank.

STATEMENT — LAC — NR

(Loans/Aids/Credits/Grants - Non-reimbursable)

Particulars of loan Aid/Credit/Grant _____

Period _____

Designated Bank _____

Currency _____

Country _____

Name of specific project/programme _____

RECEIPTS	AMOUNT		
	Million	Th.	Units
1) Fresh allocations (of Aid/ Loans, if any)			
2) Opening Balance			
Total			
PAYMENTS			
1) Payments (Schedule NR)			
2) Closing Balance			
Total			

Stamp and Signature of Designated Bank

SCHEDULE EL-2/EL-3

Imports against Credit

PERIOD:
AUTHORIZED DEALER:
CURRENCY:

Date Duplicate Received	I Form No.	Unit	Quantity	Price per Unit	Amount in Currency			Code Number			Inco Terms	NTN
					Million	Th.	Units	Country	Commodity	Department		
Total												

Checked By:
Coded By:

Stamp and Signature of Authorized Dealer

RECORD OF EXCHANGE POSITION

Name of the Foreign Currency .....
Name and Address of Authorized Dealer .....
Date .....

(To nearest unit)

(1)	Total Credit balances held abroad with Overseas Agents and Correspondents as per Debit Balances in Local Books. Cr.		(1)	Total Debit balances with Overseas Agents and Correspondents as per Credit Balances in Local Books. Dr.	
(2)	Outward Bills purchased (temporary accounts).		(2)	Proceeds of Bills and Drafts awaiting remittance; sales booked, but not credited to account.	
(3)	Bills negotiated abroad charged to account and responded to but no sales shown in Exchange position.		(3)	Foreign currency Bills, MTs and TTs payable.	
(4)	Other sundry suspense accounts.		(4)	Total customers foreign currency accounts.	
	Sub Total		(5)	Other sundry suspense accounts.	
				Sub Total	
(5)	Forward Purchases (i) From Public (ii) From State Bank (iii) From other Authorized Dealers:- (a) In Pakistan (b) Other Centers		(6)	Part of contra item (3) not covered with forward sale. (i) To Public (ii) To State Bank (iii) To other Authorized Dealers:- (a) In Pakistan (b) Other Centers	
	Position oversold			Position overbought	
	Total			Total	

OUTSTANDING COMMITMENTS AGAINST CASH RESOURCES UNDER LETTERS OF CREDIT/REGISTERED CONTRACTS UNDER SPECIFIC ALLOCATION AS ON.....

(Figures in round hundred rupees)

1. Total amount of letters of credit and Contracts registered with us outstanding against cash licenses for import under Specific Allocation. Rs. .....

2. Total amount of letters of credit and Contracts registered with us outstanding against cash resources which were established without production of the Import licenses for import under Specific Allocation (Authorizations issued by State Bank of Pakistan) Rs. .....

3. Total amount of letters of credit and Contracts registered with us outstanding for import of oil (POL) Rs. .....

4. Total amount of letters of credit and Contracts registered with us outstanding for invisible payments under Specific Allocation Rs. .....

5. Balance available on Import Licenses/Authorizations registered with or issued by State Bank of Pakistan for which no letter of credit is opened or contract registered. Rs. .....

6. Balance available on Import Licenses/Authorizations registered with or issued by State Bank of Pakistan for which no letter of credit is opened or contract registered (pertaining to import of oil - POL) Rs. .....

7. Value for which goods have been shipped within the validity of Import Licenses etc. but the payment has not been made against the relative letters of credit/Contracts registered with us or otherwise Rs. .....

8. Total amount of remittances effected and endorsed on the Import Licenses/Authorizations registered with or issued by State Bank of Pakistan. Rs. .....

Total Rs. .....

9. Total value of Import Licenses/Authorizations registered with or issued by State Bank of Pakistan. Rs. .....

NOTE: Total of items No. 1 to 8 should be equal to item 9.

STAMP & SIGNATURE OF AUTHORIZED DEALER

Date .....

OUTSTANDING COMMITMENTS AGAINST CASH RESOURCES UNDER LETTERS OF CREDIT/REGISTERED CONTRACTS UNDER PRIVATE SECTOR IMPORTS AS ON.....

(Figures in round hundred rupees)

1. Total amount of letters of credit and Contracts registered with us outstanding against cash licenses. Rs. .....

2. Total amount of letters of credit and Contracts registered with us outstanding for payment of freight for the goods to be imported under AID/LOAN/BARTER Agreements. Rs. .....

3. Total amount of letters of credit and Contracts registered with us outstanding for import of oil (POL) Rs. .....

4. Total amount of letters of credit and Contracts registered with us outstanding for invisible payments authorized by State Bank of Pakistan. Rs. .....

5. Balance available on Import Licenses/Authorizations registered with or issued by State Bank of Pakistan for which no letter of credit is opened or contract registered. Rs. .....

6. Balance available on Import Licenses/Authorizations registered with or issued by State Bank of Pakistan for which no letter of credit is opened or contract registered (pertaining to import of oil) (POL) Rs. .....

7. Value for which goods have been shipped within the validity of Import Licenses/Contracts etc. but the payment has not been made against the relative letters of credit/Contracts registered with us or otherwise. Rs. .....

8. Total amount of remittances effected and endorsed on the Import Licenses/Authorizations registered with or issued by State Bank of Pakistan. Rs. .....

Total Rs. .....

9. Total value of Import Licenses/Authorizations registered with or issued by State Bank of Pakistan. Rs. .....

NOTE: Total of items No. 1 to 8 should be equal to item 9.

STAMP & SIGNATURE OF AUTHORIZED DEALER

Date .....

MONTHWISE MATURITY OF THE LETTERS OF CREDIT AND CONTRACTS REGISTERED WITH ADs OUTSTANDING UNDER SPECIFIC ALLOCATION AS ON.....

(Figures in round hundred rupees)

Sl. No.	Amount of letters of credit and Contracts registered with us outstanding against cash licencs for import under Specific Allocation.	Amount of letters of credit and Contracts registered with us outstanding against cash resources which were established/registered without production of Import Licences for Import under Specific Allocation (Authorizations issued by State Bank of Pakistan.	Amount of letters of credit and Contracts registered with us outstanding for import of oil (POL).	Amount of letters of credit and Contracts registered with us outstanding for invisible payments under Specific Allocation.	Total

Total:

Date .....

STAMP & SIGNATURE OF THE AUTHORIZED DEALER

MONTHWISE MATURITY OF THE LETTERS OF CREDIT AND CONTRACTS REGISTERED WITH ADs OUTSTANDING UNDER PRIVATE SECTOR IMPORTS
AS ON.....

(Figures in round hundred rupees)

Sl. No.	Amount of letters of credit and Contracts registered with us outstanding against Private Sector Import Allocation.	Amount of letters of credit and Contracts registered with us outstanding for payment of freight for the goods to be imported under Aid/Loan/ Barter Agreement	Amount of letters of credit and Contracts registered with us outstanding for import of oil (POL)	Amount of letters of credit and Contracts registered with us outstanding for invisible payments authorized by State	

Total:

Date .....

STAMP & SIGNATURE OF THE AUTHORIZED DEALER

ANNUAL RETURN OF BLOCKED ACCOUNTS OF PERSONS, FIRMS ETC.

1. Name and address of the Authorized Dealer .....

2. For the year ended ..... 3. Country .....

Sl. No.	Name of the account holder, last known address and nationality (if known)	Balance at the end of last year	Total new credits during the year	Total funds debited in respect of purchases of securities under approval of State Bank	Total funds dealt with in other ways under approval of the State Bank	Balance at the end of the year	Remarks

N.B. Where funds are invested in approved securities particulars thereof should be furnished separately in the accompanying form.

.....
STAMP AND SIGNATURE OF AUTHORIZED DEALER

ANNUAL STATEMENTS SHOWING PARTICULARS OF SECURITIES HELD IN BLOCKED ACCOUNTS

1. Name and address of the Authorized Dealer .....

2. For the year ended ..... 3. Country .....

Sl. No.	Full name and address of the owner	Full description of securities (state also whether bonds or stocks, preference or ordinary shares, debentures etc., No. of shares and face value of each share).	Total face value of the Securities	Person in whose name the securities are held if other than owner	The name of the bank with whom they are deposited for custody	If the securities are pledged against any loans, full particulars should be stated

N.B. Securities purchased out of funds in blocked account should be shown separately.

Date .....

.....
STAMP AND SIGNATURE OF AUTHORIZED DEALER

Name of the Authorized Dealer _____

Statement for Remittances by Hajj Group Organizers (HGOs) for Hajj Season_____

Dated: _____

S. No	Name & Address of HGO	Total Hajj Quota	Date of Transaction	Name & Address of Beneficiary	Mode of Remittance (FDD/TT/ SWIFT)	Transaction Amount & Currency	Amount Transferred/ Remitted previously	Total Remittances (in Saudi Riyal) (7 + 8 = 9)	Total Remittances (in equivalent USD)	Remarks (if any)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)

_____
Authorized Signature
(Name and Designation with Seal)

NAME OF THE AUTHORIZED DEALER _____

EXCHANGE GAIN ON REPATRIATION OF ADVANCE PAYMENT(S) ON BEHALF OF HAJJ GROUP ORGANIZERS

(In terms of FE Circular Letter No.07 dated February 24, 2017)

For the Month_____
Year_____

S.No.	Name & Address of HGO	NTN/CNIC	Advance Payment Amount (in USD)	Rate of Conversion applied at the time of remittance(s)	Amount in PKR	Date of Advance Payment	Hajj Season/ Year	Outstanding Advance Payment Amount (in USD)
1	2	3	4	5	6	7	8	9

Amount repatriated (in USD)	Date of Repatriation	Conversion rate	Amount in PKR	Amount of Exchange Gain	RTGS Advice No.	Date of RTGS	Remarks (if any)
10	11	12	13	14	15	16	17

_____
Authorized Signature
(Name and Designation with Seal)

Name of the Authorized Dealer_____

Remittances by Authorized Dealers on behalf of Umrah Organizers

For the Month of_____

Name of Umrah Organizer: _____ **Registration/License No.:** _____

Dated _____

Sr. No.	Name & City of Pilgrim	CNIC/ Passport No. of Pilgrim	Detail of Umrah Package (Amount in PKR) Economy ☐ / Executive ☐ With ticket ☐ / Without ticket ☐ No. of Days _____	Date of departure of pilgrim	Name & Address of Vendor/ Services Provider (Beneficiary)	Type of Service (Accommodation Transportation, Visa fee/charges etc.)	Date & Number of Invoice/ Contract	Outward Remittance (in eq. USD) Remittance ☐ Advance Remittance ☐	Date and Number of Form "M"	Amount repatriated (in Eqvl. USD) if any.	Remarks
1	2	3	4	5	6	7	8	9	10	11	12
							Total				

I/we declare/undertake that the information provided in this annexure is true to the best of my/our knowledge and belief and I/we assume full responsibility for any omissions/errors therein.

_____ _____

Authorized Signature(s) of Umrah Organizer

Checked and Verified by Authorized Dealer

APP.V	143

NAME OF THE AUTHORIZED DEALER _____

EXCHANGE GAIN ON REPATRIATION OF ADVANCE PAYMENT(S) ON BEHALF OF UMRAH ORGANIZERS

(In terms of FE Circular No.07 dated June 13, 2017)

For the Month_____
Year_____

S.No.	Name & Address of HGO	NTN/CNIC	Advance Payment Amount (in USD)	Rate of Conversion applied at the time of remittance	Amount in PKR	Date of Advance Payment	Umrah Season/ Year	Outstanding Advance Payment Amount (in USD)
1	2	3	4	5	6	7	8	9

Amount repatriated (in USD)	Date of Repatriation	Conversion rate	Amount in PKR	Amount of Exchange Gain	RTGS Advice No.	Date of RTGS	Remarks (if any)
10	11	12	13	14	15	16	17

_____
Authorized Signature
(Name and Designation with Seal)

APP.V	144

NAME OF THE AUTHORIZED DEALER _____

PENALTY ON EXPORT LOANS UNDER FE-25 SCHEME

(In terms of FE Circular No.05 dated May 10, 2017)

For the Month_____
Year_____

S.No.	Name & Address of Exporter	NTN/CNIC	Amount of Loan (in USD)	Date of Disbursement	Loan Tenor	Date of Maturity	Reason for non/delayed settlement	Outstanding Amount in USD
1	2	3	4	5	6	7	8	9

Rate of Conversion at the time of settlement	Outstanding Amount in PKR	No. of days loan delayed	Date of Adjustment	Amount of Penalty	RTGS Advice No.	Date of RTGS	Remarks (if any)
10	11	12	13	14	15	16	17

_____
Authorized Signature
(Name and Designation with Seal)