

Following Clarification/Rebuttal was issued to Dawn in response to ‘Letter to Editor’ published on February 5, 2020 entitled: ‘10-Rupee note ’

“10- Rupee note”—SBP version

Please refer to a letter published in your esteemed newspaper on February 5, entitled, “10-Rupee Note”. Being legal tender, all banknotes including Rs.10 denomination are required to be accepted by commercial banks. SBP has never ordered commercial banks to refuse any legal tender banknotes. Conversely, SBP has explicitly issued instructions to commercial banks from time to time, making it obligatory for them to accept lower denomination banknotes. Instructions were re-iterated vide Circular No. Cy.1415/336-2003 dated June 28, 2003, BPRD’s Circular No. 12 of 2011 dated October 19, 2011 and Finance Department’s Circular No. 4/2017 dated September 14, 2017.

In order to enforce these instructions, cash monitoring of commercial bank branches is conducted round the year through dedicated examination teams from SBP BSC which ensure that lower denomination banknotes are accepted by commercial banks. In case any branch is found to be refusing such services, penal action is taken against it.

Further, the commercial bank official in this case allegedly provided an argument stating that the banknotes could not be accepted since SBP did not have a presence in Turbat. First, it is clarified that lack of SBP’s presence does not absolve the commercial bank from executing its responsibility to the general public and it was bound to accept the banknotes irrespective of proximity of an SBP BSC Office. Secondly, NBP Main Branch Turbat is operating as a chest branch which acts as an agent of SBP and provides banknote exchange facility to commercial banks/ general public on behalf of SBP. Hence, this argument provided by commercial bank staff may be considered flawed.

As explained above, SBP has been continuously taking corrective actions to ensure that lower denomination banknotes are accepted by commercial banks. If the aggrieved had provided details of the specific commercial bank branch in this case, the process for taking appropriate penal action against the bank would have been initiated.

Following ‘Letter to Editor’ published in Dawn, Karachi on February 5, 2020:

10-rupee note – ‘Letter to Editor’ Dawn

‘I RECENTLY visited a bank in Turbat for an online deposit in one of its Karachi branches. After filling the deposit slip, I went to the cashier. I had some 10 rupee notes but the cashier told me that the bank would not accept these notes. I was shocked.

On being asked the reason, he told me that the one who would receive money in the Karachi branch would not accept these notes. This ‘logic’ was a shock for me. I wondered if these notes were Pakistani currency.

When I insisted on depositing the money, he told me that since the State Bank of Pakistan was not in Turbat therefore he could not accept either. I was surprised to hear this.

I wonder if the SBP has really ordered banks not to accept 10-rupee notes or perhaps bank staff do not accept these notes to avoid counting so many bills.

Whatever may be the case, the question remains: where should a customer go with 10-rupee notes?

Isn't it the responsibility of the banks to accept currency notes of all denominations?

The SPB should clarify the issue.

Shehzad Baloch

Turbat