



STATE BANK OF PAKISTAN
FINANCE DEPARTMENT
I.I. CHUNDRIGAR ROAD
KARACHI

FD Circular No. 2

May 3, 2013

The Presidents / Chief Executives
All Banks including MFBs

Dear Sir / Madam,

Currency Management – Monitoring

Please refer to the Finance Department's (erstwhile Accounts Department) Circulars No.1 & 2 of March 5, 2004 issued in order to improve the quality of banknotes in the circulation and to encourage the commercial banks to introduce modern currency handling equipments and practices.

In continuation of the above circulars, following instructions and penalty scales are being issued in order to promote better currency management practices. Banks are advised to implement the following instructions. Any violation / non-compliance shall be penalized by SBP under the Banking Companies Ordinance 1962 and other relevant laws of SBP as per the scale mentioned against each instruction:

Sr. No.	Instructions	Scale of Penalty on violation / non-compliance
1.	Banks shall accept all the legal tender coins (Re.1, Rs.2 and Rs.5 etc.) and shall provide banknotes-coins exchange facility to all the customers and general public.	Rs. 2,000/- per instance.
2.	Banks shall strictly ensure that the forged notes are not dispensed through ATMs.	Rs. 10,000/ -- per note plus value of banknote.
3.	Banks shall avoid repetition of any irregularity pointed out in the previous report. Repetition of any irregularity will attract additional penalty besides fine on routine violation.	Rs. 10,000/- per instance.

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Appeals against the refund of penalty imposed in violations of instructions contained in Finance Department's Circulars No.1 & 2 of March 5, 2004 and Circular No.1 of August 19, 2012 with regard to 'Issuance of Fresh Notes' or any other instructions from time to time regarding currency management may be addressed to:

The Director
Finance Department
9th Floor. SBP Main Building
State Bank of Pakistan
Karachi.

All other instructions issued earlier on the subject shall remain unchanged.

Please acknowledge receipt.

Yours faithfully,



(Riaz Nazarali Chunara)
Director