



STATE BANK OF PAKISTAN  
FINANCE DEPARTMENT  
I.I. Chundrigar Road  
KARACHI

FD Circular No. 01/2016

January 25, 2016

The Presidents/Chief Executives  
All Banks / Microfinance Banks

Dear Sir/Madam,

**SBP Currency Management Strategy**

Reference FD Circular No.03/2015 dated August 26, 2015 on the captioned subject and meetings with PBA representatives on implementation of the currency management strategy, the following changes have been made in the strategy:

I. The strategy shall be implemented in the following two phases:

***Phase-I (To be completed by 2<sup>nd</sup> January 2017):***

- The Strategy shall be implemented in all branches of banks in 30 big Districts/Cities based on presence of SBP-BSC office, number of bank branches and deposit size. The list of districts/cities is enclosed at Annexure - A.
- Requirement of disbursing machine authenticated cash shall be applicable on banknote denominations of Rs 500 and above.

***Phase-II (To be completed by 2<sup>nd</sup> January, 2018):***

- Strategy to be implemented across the country for all denominations of banknotes.
- Sealed Cassettes based feeding of ATMs across the country. SBP shall appreciate if banks start sealed cassettes based feeding before the deadline.

II. ***Clarification on Separate Vaults for CPCs:***

For the CPCs to be established in existing branches, the banks may use existing vaults of the branches for storing CPC cash, provided the vaults meet the control requirements as prescribed in the FD Circular No.03/2015.

III. ***Selection of Cash Processing Machines:***

SBP shall facilitate banks in assessing the capability of machines to sort and authenticate cash as per standards prescribed in para B(iii)(d) of Annexure-A to FD Circular No. 03/2015. The banks shall finalize up to a maximum of three types (models) of machines that meet the SBP prescribed sorting/authentication standards and arrange a demo of the same at SBP BSC Karachi or Lahore offices. The banks may purchase any machine that satisfactorily sort and authenticate the banknotes as per SBP sorting and authentication standards during the demo. The banks shall ensure that the machine selection process on these lines, including the demo at SBP, is completed by 30<sup>th</sup> June 2016.

The Annexure – A to the FD Circular No 3/2015 shall stand amended to the extent stated above.

Please acknowledge receipt.

Yours faithfully,

(Saleemullah)  
Director

**Annexure - A**

<b>List of 30 Big Districts/ Cities based on presence of SBP-BSC Offices and number of branches and deposit size</b>		
<b>S.No.</b>	<b>District/ Cities</b>	<b>Province</b>
1	Karachi	Sindh
2	Lahore	Punjab
3	Rawalpindi	Punjab
4	Faisalabad	Punjab
5	Islamabad	Islamabad
6	Sialkot	Punjab
7	Gujranwala	Punjab
8	Multan	Punjab
9	Hyderabad	Sindh
10	Bahawalpur	Punjab
11	Quetta	Balochistan
12	Peshawar	Khyber Pakhtunkhwa
13	Sukkur	Sindh
14	Muzaffarabad	Azad Jammu & Kashmir
15	D.I.Khan	Khyber Pakhtunkhwa
16	Gujrat	Punjab
17	Mirpur	Azad Jammu & Kashmir
18	Sargodha	Punjab
19	Rahim Yar Khan	Punjab
20	Jhelum	Punjab
21	Attock	Punjab
22	Abbottabad	Khyber Pakhtunkhwa
23	Sheikhupura	Punjab
24	Okara	Punjab
25	Toba Tek Singh	Punjab
26	Chakwal	Punjab
27	Swat	Khyber Pakhtunkhwa
28	Vehari	Punjab
29	Khanewal	Punjab
30	Kotli	Azad Jammu & Kashmir