



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

FD Circular Letter No. 04/2016

September 23, 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 and FD Circular Letter No.01/2016 dated January 25, 2016 on the captioned subject.

2. This is to remind the banks that the timeline of 2nd January 2017 for issuance of machine authenticated higher denomination cash from banks' branches and ATMs in 30 districts/cities is fast approaching. While it is satisfying that almost all the banks have either got their selected machines verified/tested by SBP or have selected machines already verified by SBP, however the machines procurement and installation process needs to be expedited. Since, banks shall disburse only machine authenticated and sorted higher denomination banknotes effective January 2, 2017 in 30 major cities, the machines should be installed at CPCs and/or branches or firm arrangements with other banks be made to get their cash processed well before December 31, 2016.
3. Further as advised in the Strategy Circular No. 3/2015 dated 26th August 2015, the banks shall submit the information about their CPCs in 30 big districts/cities along with the branches attached to each CPC to CMD by 1st December 2016. The banks adopting branch based model shall also inform by 1st December 2016 the arrangements they have made for processing cash in branches in the 30 districts/cities.
4. It is reiterated that w.e.f. January 2, 2017, banks can only disburse machine authenticated cash to public. The banks found issuing cash not processed by machines certified by SBP shall face stern penal action under Banking Companies Ordinance (BCO), 1962.
5. Please acknowledge receipt.

Yours faithfully,

(Qader Bakhsh)

Additional Director