



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

FD Circular No. 02/2017

March 10, 2017

**The Presidents/Chief Executives**  
**All Banks / Microfinance Banks**

Dear Sir/Madam,

**SBP Currency Management Strategy – Banknotes Packing Instructions**

Reference FD Circular No. 03/2015 dated August 26, 2015, FD Circular No. 01/2016 dated January 25, 2016 and FD Circular Letter No. 07/ 2016 dated December 30, 2016 on the captioned subject.

2. The Currency Management Strategy issued vide above referred circulars and circular letter is aimed at reforming the currency management function from manual to automated environment, enhance banks' capacity to segregate the fit and genuine banknotes from unfit, soiled and counterfeit banknotes and improve the quality of banknotes in circulation. As there will be frequent exchange of cash both within the banking industry and between the banks and SBP Banking Services Corporation (SBPBSC) after the implementation of the strategy, it is important that the cash to be traded in the interbank market and/or surrendered to SBP is packed properly, uniformly and consistently. Thus in order to standardize the cash packing processes and practices, a set of instructions has been prepared which shall be applicable for banknotes to be traded in interbank market and/or to be surrendered to SBPBSC.

3. The instructions provide details for preparation of packets and bundles of banknotes besides prescribing a mechanism for generating special alpha-numeric codes for each bundle of banknotes. The specifications of cash trays to be used for surrender of sorted and packed cash to the offices of SBPBSC have also been prescribed. Furthermore, clause 1.1(a)(iv) titled "Suspected Counterfeit Banknotes" of these instructions shall supersede clause B(vii) of FD Circular No. 03/2015 dated August 26, 2015.

4. Implementation of these instructions shall be in a phased manner to give banks a reasonable time to acquire requisite capacity for adoption of these standardized packing and transportation mechanism. Accordingly, these instructions shall be applicable as follows:

Instructions	Effective Date
Section 1.1, 3 and 4	April 03, 2017
Section 1.2 and 1.3	July 03, 2017
Section 2	April 02, 2018

5. Detailed instructions on subject are attached as [Annexure](#) for compliance by the banks.

Please acknowledge receipt.

Yours faithfully,

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**(Saleemullah)**  
Director