

**STATE BANK OF PAKISTAN  
BANKING POLICY DEPARTMENT  
I.I. CHUNDRIGAR ROAD  
KARACHI.**

BPD Circular No. 12

7<sup>th</sup> April, 2003

All Scheduled Banks,

Dear Sirs,

**EXPORT FINANCE SCHEME – FINANCE FOR  
EXPORT OF GOLD JEWELLERY.**

Please refer to the BPRD Circular No.10 dated April 03, 1996 wherein the procedure for obtaining refinance facility under the above Scheme had been notified. In this connection it has been observed that subsequent changes have been made in the procedure due to which the instructions contained in the above circular have become redundant. The amended /revised procedure has been substituted as under: -

2. State Bank of Pakistan will continue extending the facility of refinance as available under the Export Finance Scheme for the exports of Gold Jewellery (embedded with or without precious / semi-precious stones) on self consignment basis subject to adherence with the conditions as laid down under F.E. Circular No.13 dated 28<sup>th</sup> May, 1997 as well as the procedure of export of the commodity mentioned vide Ministry of Commerce Notification No.SRO/266(I)/2001 dated 7<sup>th</sup> May, 2001.

3. The provision of finance / refinance and monitoring of the performance applicable in the case of export of gold jewellery would be as under: -

- i) The Bank may provide finance under Part-I of the Scheme to the exporters for export of gold jewellery embedded with or without precious / semi-precious stones on self consignment basis and on a case to case basis on production of Firm Export Order / L.C. and may claim refinance from the Office of State Bank against submission of the prescribed documents.
- ii) The date of shipment will be the date on which shipment is allowed by the Customs.
- iii) The exporters will be required to repatriate proceeds into Pakistan by importing gold and remitting remaining value on account of gems and making charges through banking channel in accordance with procedure prescribed in the said Notification. The exporters will also be required to appropriate the proceeds immediately towards the export finance allowed by the bank. For this purpose the date of realization given in the PRC and the date of import of gold as per Bill of Entry and Custom's receipt of gold will be taken into account. As prescribed under the Scheme, the bank will be required to pass on the amount repaid by the exporters / received against the relevant contract to the State Bank within three working days of its receipt/repayment.

....

4. The Exporters / Bank will submit shipping and the performance documents against finance availed under the Scheme to concerned office of State Bank. These documents will be as under: -

I. Documents required for processing loan application

- a) Copy of EPB approval.(on Annexure-E)
- b) Firm order/Contract/L.C.
- c) Undertaking
- d) D. P. Note

II. Documents required for monitoring performance

(a) The following shipping documents will be required to be submitted by the exporter to the banks within 30 days from the expiry of loan: -

- i) Copy of Invoice duly attested/authenticated by Bank.
- ii) Copy of duplicate 'E' form duly certified/authenticated by Bank/Custom authorities.
- iii) Copy of Shipping Bill indicating certification of shipment allowed by Custom Authority (in lieu of Airway bill), details of gold jewellery, exporters particulars, consignee's name, the name of the person carrying the consignment alongwith his Passport No. duly authenticated by the Customs.
- iv) Copy of EPB's relevant Annexure showing exports
- v) Copies of bill of entry and receipt of gold by Customs duly authenticated by the bank
- vi) Copy of Export Promotion Bureau's approval.
- vii) Attested copy of EPRC as and when received.

(b) The exporter /banks will be required to be submitted to the office of SBP the documents evidencing Realization/ Repatriation of export proceed.

- i. EPRC in respect of value addition within 30 days of the realization of exports proceeds.
- ii. Copy of the Bill of Entry.

(c) The quantity & amount of gold exported /allowed to be repatriated, the value addition on different heads as well as wastage etc as per details given in "Annexure E" will be accounted for, for the purpose of export performance. The value addition should be repatriated as per E Form concerned.

5. All other terms and conditions of the Scheme will remain unchanged. Fines as prescribed under the Scheme for non-shipment, delayed shipment and delayed repayment etc; shall be charged / recovered as per provisions of the Scheme. The export of gold jewellery through normal E form procedure against Contract/L.C. will continue to be governed under BSD Circular No.35 dated 28-9-2001.

Please acknowledge receipt.

Yours faithfully,

(Muhammad Kamran Shehzad)  
Director