

## EXPORT FINANCE SCHEME

### 1. The Scheme.

1.1 The Export Finance Scheme of the State Bank of Pakistan will continue to operate in two parts, viz. Part I and Part II as at present. However, the provisions of the Scheme under Part I have been modified in such a manner that the documentation to be submitted both by exporters and bankers under this Part has been simplified. The basic responsibility of scrutiny will now entirely rest with the bank concerned. As such henceforth, detailed scrutiny of documents will not be done by the Refinance Section of the concerned office of the State Bank. The inspectors of Banking Inspection Departments or any other authorized officer of the State Bank of Pakistan, while making a regular or special inspection of a bank, shall examine the cases of finances of the bank under the Scheme.

1.2 The facility under the Scheme will continue to be available to Small and Medium sized enterprises having exports upto US \$ 2.5 million equivalent during the preceding fiscal year. Emerging Direct Exporters who have not previously exported products, Indirect Exporters who manufacture or supply goods or material which can be used for exports and Direct Exporter including commercial exporters and trading companies shall be eligible for financing facilities under the Scheme as hitherto. An exporter can avail the facility under both parts of the Scheme provided the facility availed under one Part is not in duplication of the facility availed under other Part of the Scheme.

1.3 The financing facilities under the Scheme will be available for eligible commodities for a period of 180 days to Direct Exporters and upto 120 days for Indirect Exporters. However, where facilities against a particular firm export order / export letter of credit are availed both by Direct and Indirect exporter, the combined period shall not exceed 180 days. Commodities, which do not qualify for export finance under the Scheme, will fall in the Negative List of items, which is placed at Annexure – “A”.

### 2. Incentives.

2.1 Under the Prudential Regulations, exporters are exempt from certain restrictions which are available to both Direct & Indirect Exporters, as under :-

21.1 In determining accommodation by banks to its borrowers, pre / post shipment credit provided to finance export of goods covered by letter of credits / firm export order are not included in the definition of accommodation (**Prudential Regulations I**).

21.2 No bank shall provide financing facility in any form of a sum not exceeding Rs 100,000 to any one individual or person, without obtaining realizable securities of the value not below the outstanding amount. Clean facilities granted to finance the export of commodities eligible under the Export Finance Scheme shall be exempt from the per party limit on clean facilities (**Prudential Regulations III**).

21.3 While granting accommodation, banks shall ensure that the total accommodation availed by any borrower from banks / financial institution does not exceed 10 times of the capital & reserves (free of losses) of the borrower as disclosed in its Audited Accounts. Export finance shall be excluded from the borrowings for the purpose of the regulations (**Prudential Regulation IV**).

21.4 The Banks are free to determine the rates of charges in respect of various services that they may provide to their constituents except in the case of rates of charges relating to exports (**Prudential Regulations X**). A list of such charges which banks may charge to their exporters is placed at Annexure “B”.

2.2 In order to promote exports and to ensure that small, medium and emerging Direct and Indirect exporters have access to the credit facilities, the Government has set up a Pre-shipment Export Finance Guarantee (PEFG) agency for which State Bank of Pakistan was the executing agency. The said agency has already become operational. The cover obtained by the exporters from the PEFG agency will substitute for the collateral requirements of banks and hedge against the financing risks of commercial banks against manufacturing, non-performance, non-delivery risk and non-payment by the exporters. Further to promote the financing for the Indirect Exporters, the Government will be setting up an Export Product Upgrading Matching Grants Fund, to be managed by the Export Promotion Bureau, which would be available as an incentive to Direct Exporters establishing Inland Letter of Credit / issuing Standardized Purchase Order and for Indirect Exporters receiving it.

2.3 The State Bank of Pakistan has also introduced a Foreign Currency Export Finance (FCEF) facility negotiated by the Government of Pakistan with the Asian Development Bank. The FCEF facility is a dollar-based window and is available to the Direct and Indirect exporters for the purchase of inputs domestically and for financing their inputs and raw materials against import letters of credit. The said Scheme will run parallel to the Export Finance Scheme and the facility under this scheme is available on pre-shipment and post shipment basis for a period of 180 days. Detailed instructions in this regard have been issued vide F.E. Circular No.4 dated 28<sup>th</sup> March, 2001.

2.4 An Apex unit has already been established in the Banking Supervision Department to deal with the Foreign Currency Export Finance (FCEF) facility. A Complaint cell is also working in the Banking Supervision Department where the exporters can raise their grievances pertaining to matters relating to the Export Finance Scheme. Besides an Export Cell headed by Executive Director, Banking Supervision Department having representation from Exporters' Associations, Chambers and Export Promotion Bureau meets on a quarterly basis to review the progress of the scheme and address collective problems of exporters. Commercial banks have also been advised to establish Export Cells for exclusive handling of the cases / documentation relating to the Export Finance Scheme.

### 3. **Rate of Financing.**

3.1 The maximum rate of return under the Export Finance Scheme to be derived by banks from their exporters shall vary from time to time. The rate of return by banks to borrowers shall be 12% p.a. for all eligible items. Where refinance has been provided to the banks against such finance, the State Bank will share in the overall profit of the bank concerned subject to a maximum of 10.5%, p.a. when annualized.

3.2 The banks shall invariably make payment of the provisional profit on quarterly basis to the concerned office of the State Bank of Pakistan on or before 7<sup>th</sup> of the following month of the quarter concerned.

### 4. **Refinance limits to banks.**

4.1 The State Bank of Pakistan will make refinance available to banks in the form of either purchase / rediscount of such bills of exchange / promissory notes as are eligible for purchase / rediscount by the State Bank of Pakistan under Section 17(2) (a) of the State Bank of Pakistan Act, 1956 or as loans against such bills under Section 17(4) (c) of the Act for a maximum period not exceeding 180 days.

4.2 The Head / Principal / Country Office of a scheduled bank is required to lodge an application at the beginning of a financial year or as directed in this behalf by the Banking Supervision Department, Central Directorate, State Bank of Pakistan specifically. An overall revolving refinance limit will be sanctioned for both parts of the Scheme, by State Bank of Pakistan. The maximum quantum of annual refinance limits to be sanctioned by SBP under EFS, for individual banks will not exceed 3.75 times of their equity. In case of foreign banks the amount maintained by them under Section 13 of the Banking Companies Ordinance, 1962

will be the basis for determination of their entitlement for refinance limits. Banks may like to avail higher limits by increasing their capital. In case the limit so sanctioned in favour of particular bank does not suffice to meet the demand for credit from exporters, SBP may consider request from the bank concerned for increasing its maximum entitlement for limit, provided its overdue export bills are at an acceptable level and the prescribed regulatory requirements are, by and large, complied with by it.

4.3 The bank will be apprised of the revolving limits sanctioned in their favour and copies thereof shall be endorsed to the SBP Offices of the area where the Head / Principal / Country Office of the bank is located. The bank will be required to indicate to the concerned office of SBP, the amount(s) that it desires to draw from various offices of State Bank, within the overall refinance limit sanctioned to it. A bank is also eligible, at its discretion, to alter its limit at various offices of the State Bank during the fiscal year and to have the reallocation of the amount(s) of the limit. For the purpose, it may request the concerned SBP Office for re-allocation of the limit by indicating the amount(s) to be availed from SBP Office / Offices in a manner that such reallocation is within overall refinance limit sanctioned to it.

4.4 Banks shall be required to execute following documents (on the prescribed format) in favour of the SBP. In order to avail the refinance limit from the State Bank of Pakistan.

- i) Agreement with State Bank of Pakistan (Form A).
- ii) Demand Promissory Note for the entire amount of the limit sanctioned to it.

## **5. Operations of the Scheme Part-I.**

5.1 Finance from banks under Part-I of the Scheme will be available to Direct Exporters to the extent of 100% of the value of a firm export order / contract / letter of credit both at pre-shipment and post-shipment stages.

5.2 Indirect Exporters who supply inputs i.e. materials and goods to a Direct Exporter to be used for further processing and / or to be exported, will also be eligible to avail finance from banks under the Scheme at pre-shipment stage. The Direct Exporter, who has a firm export order / contract / letter of credit may request his bank to open an Inland Letter of Credit (ILC) / or the Direct Exporter may issue Standardized Purchase Order (SPO as per specimen at Annexure "E") in favour of the Indirect Exporter i.e. domestic supplier. Indirect Exporter will be eligible to avail finance from banks against such Inland Letter of Credit (ILC) or Standardized Purchase Order (SPO), to the extent of the amount mentioned therein.

5.3 Commercial bank, after providing finance to the Direct / Indirect Exporters shall become eligible to avail refinance from the State Bank of Pakistan as per procedure mentioned in para 6 below.

5.4 The Direct or Indirect Exporter, as the case may be, shall approach his bank for availing facilities under EFS indicating his financial needs as per prescribed Form "B" or "C" respectively upon establishment of a letter of credit or on receipt of a firm export order, in case of a Direct Exporter, or upon establishment of an Inland Letter of Credit or on issuance of a Standardized Purchase Order in his favour by a Direct Exporter, in case of an Indirect Exporter.

5.5 After the finance has been disbursed by banks, they may make an application to the concerned office of the State Bank of Pakistan indicating particulars of Direct / Indirect exporters to whom the bank has granted finance and against which now it intends to avail refinance as per Form "D". Each request for reimbursement for refinance will be accompanied by a Demand Promissory Note duly executed by the exporter concerned in favour of the bank and endorsed in favour of State Bank of Pakistan as per specimen attached.

5.6 The total amount of financing extended by any bank against any one firm export order or letter of credit to both Direct and Indirect exporters shall not exceed the total amount of the firm export order / contract or letter of credit. The combined period of financing against an export order to the Direct Exporter as also to his suppliers i.e. Indirect Exporter shall also not exceed the permissible period of 180 days from the date of first drawal / disbursement. The period of financing by bank under the Scheme to an Indirect exporter shall be determined as per the terms of the relevant Inland Letter of Credit / Standardized Purchase Order, upto the period mentioned therein but subject to a maximum of 120 days. The bank shall, however, ensure that the total amount withdrawn by the Direct Exporter and value of ILC/ SPO established on his behalf does not exceed the value of the export finance admissible to the Direct Exporter against the particular Export Order/Contract/Letter of Credit.

5.7 Bank shall extend the financing facility under the Export Finance Scheme to Direct/Indirect Exporters for pre-shipment and post shipment and (to Direct Exporter only) basis on production of the following documents by the exporter concerned :-

Nature of Financing	Direct Exporter	Indirect Exporter
A. Pre-shipment	<ol style="list-style-type: none"> <li>1. Firm Export Order/ Contract/Letter of Credit. Application/undertaking as per Form B.</li> <li>2. D.P. Note</li> </ol>	<ul style="list-style-type: none"> <li>- Inland letter of credit /Standardized Purchase Order.</li> <li>- Application/Undertaking as per Form C.</li> </ul>
B.Post-shipment	<ol style="list-style-type: none"> <li>1. Firm Export Order/Contract/Letter of Credit alongwith acceptance from buyer in case of discrepant documents.</li> <li>2. Application/undertaking as per Form B.</li> <li>3. D.P Note</li> <li>4. Original duplicate copy of Form E</li> <li>5. Bill of Lading /Airway bill.</li> <li>6. Invoice</li> </ol>	No facility.

6. Refinance from SBP.

6.1 The concerned office of the SBP will grant refinance against financial facilities provided by its bank for pre pr post shipment stage, to the banker of the Direct Exporter or Indirect Exporter, as the case may be, and release the amount accordingly within 48 hours on receipt of the refinance claim as per Form “D” complete in all respect and D.P Note executed by the exporter concerned, as explained in para 5.5 above.

Submission of Documents.

7.1 The Direct exporter shall be liable to submit the proof of shipments to the bank concerned against the loan, evidencing shipment made against the relevant Firm Export Order/Export Letter of Credit within 30 days from the date of shipment { last shipment in the case of fragmented shipment(s)} of from the date of expiry of loan, whichever is earlier.

7.2 The loan granted to the Indirect Exporter, alongwith markup thereon, shall be adjusted upon delivery of the inputs and payment of documents drawn under the ILC/SPO or at the expiry of the period of 120 days, whichever is earlier. The Indirect exporter shall be under obligation to produce documents, evidencing utilization of the loan to the banker of the Direct Exporter within 15 working days of the supply of goods to the Direct exporter.

7.3 The shipping documents required to be submitted by the Direct /Indirect Exporters to the bank concerned would be as under:-

	Direct Exporter	Indirect Exporter
	1.	2.
Pre-shipment	<ul style="list-style-type: none"> <li>- Original duplicate copy of Form “E”</li> <li>- Bill of Lading / Airway bill.</li> <li>- EPRC within a period of 120 days from the date of shipment or such extended time prescribed under foreign exchange regulations.</li> </ul>	<ul style="list-style-type: none"> <li>- Invoice</li> <li>- Truck / Railway receipt.</li> <li>- Goods Received Note GRN / Delivery challan signed by the buyer.</li> </ul>
Post-shipment	<ul style="list-style-type: none"> <li>- EPRC within a period of 120 days from the date of shipment or such extended time as prescribed under foreign exchange regulations.</li> </ul>	NA

7.4 In case shipping documents are not received by bank on or before 30 days from the date of the expiry of loan, the bank shall recover fine from the concerned exporter treating the case as that of non-shipment and pass on the fine so recovered to the concerned office of State Bank within three working days. The exporter concerned shall be entitled to refund of fine so recovered, on submission of the relevant document and after adjusting the fine that may be applicable for delayed /short shipment and delayed submission of shipping document. The bank concerned shall prepare a resume of such exporters qualifying for refund as and when documents are submitted by exporters, and would approach concerned office of State Bank for claiming refund of fine (as per Annexure F) earlier passed on to it who will after scrutiny of the

information submitted as per Annexure –F, refund the same to bank concerned, if found justified. The bank would be liable to pass on the benefit to the exporter concerned immediately, without any delay.

7.5 While the export of the commodity, against a Firm Export Order/ Export Letter of Credit, shall remain the responsibility of the Direct exporter, the Indirect exporter would be under obligation to supply the required inputs in accordance with the terms of the ILC/SPO, failing which he shall be liable for fines under the Scheme. Payment of such fines shall, however, not absolve him for his liabilities to the Direct Exporter.

7.6 On deliveries of the domestic inputs and receipt of payment by the supplier i.e. Indirect exporter, the amount(s) of the finance earlier granted in his favour shall be adjusted. Likewise as the Direct Exporter would have received inputs from his designated Indirect Exporter, as per terms of ILC / SPO the amount disbursed by his bank, to the bank of Indirect Exporter, shall become a loan liability of the Direct Exporter as per normal lending practice.

7.7 It shall be obligatory on the part of the Direct Exporter that all the ILCs established or SPO issued in favour of IDEs are in relation to the supply of inputs for export and would contain the name of the exporter and Number of firm export order / contract / letter of credit. The financing bank of the Indirect Exporter shall be under obligation to certify that the facility availed by the Indirect Exporter was covered by an export order / contract or letter of credit of the Direct Exporter.

7.8 The documents required to be submitted by the bank to the concerned office of SBP as evidence of shipments are as under :-

- a) Annexure – “D” (to be submitted within 7 days from the expiry of period as mentioned in para 7.1 and 7.2 above) as the case may be.
- b) E.P.R.C. within 30 days of receipt of the proceeds or expiry of the period prescribed by our Exchange Policy Department for realization of the export proceeds failing which cases of non realization will be reported by the bank to the concerned office of State Bank for appropriate action under the Foreign Exchange Regulations.
- c) Non submission of EPRC, where proceeds have been realized shall attract fine as per para 9.5 below.

## 8. **Substitution.**

8.1 In case the Direct Exporter fails to make shipment under the relevant Firm Export Order / Export Letter of Credit on the basis of which finance / refinance has been availed by him, he shall be under obligation to produce shipping documents evidencing shipment of the export of same or any other eligible commodity valuing the amount of loan, in respect of another Firm Export Order / Export Letter of Credit. The Direct Exporter will, however, undertake and confirm separately that he has neither availed of finance under EFS against any such new contract / letter of credit nor has reported or would report any entry of relevant “E” Forms already utilized by him under Part II of the EFS. The Bank concerned is authorized to accept such substitution offered by the Direct Exporter. A request in this regard shall be submitted by DE to his bank alongwith submission of shipping documents.

8.2 The Direct Exporter shall be eligible to obtain finance against a Contract or L/C partially and substitute any other export under the same contract or L/C for showing it under another loan of Part I or to use it for reporting performance under Part II provided no E-Form is used simultaneously under both parts of EFS so as to avoid duplicate financing under the Scheme.

8.3 No facility of substitution is available to the Indirect Exporter in respect of supply of inputs to the Direct Exporters.

## 9. **Fines.**

9.1 If an Indirect Exporter who had obtained the finance under Part-I of the Scheme fails to supply the goods as per schedule of delivery to the Direct Exporters or a Direct Exporter fails to ship the goods involved, he shall be subjected to fine on account of non shipment at the rate of Paisa 37 per day per Rs 1000/= or part thereof.

9.2 In case the Indirect Exporter or the Direct Exporter ships the goods subsequent to the expiry of loan, he shall be liable to pay fine only for the period of delay in supply / shipment at the rate of Paisa 37 per day per Rs 1000/- or part thereof.

9.3 If a bank fails to deposit with the State Bank, towards repayment of the respective refinance loan, the amount of a repayment made to it by / on account of the exporters / supplier

within 3 working days of receipt of the amount by it, it shall be subjected to a fine at the rate of paisas 60 per Rs 1000/- or part thereof on the amount involved till the amount is deposited with the State Bank.

9.4 Fines for any other defaults by the Direct / Indirect Exporter or bank shall be recovered at the rate of Paisas 37 per Rs 1000 or part thereof.

9.5 Fines for late submission of shipping documents by the Direct / Indirect Exporter to its bankers shall be recovered by the bank at the rate of Rs 2000 for the default and Rs 100 per day for each day of default from them and passed on to the concerned office of SBP within 3 working days.

9.6 Fine for wrong information and incorrect reporting / entry in the any Statement required to be furnished to State Bank of Pakistan will be charged from the bank at the rate of Rs 100/- per such wrong entry. Such fine shall be passed on to exporter only in case such wrong entry was based on the information received from exporter.

#### **10. General Instructions.**

10.1 State Bank of Pakistan reserves the right to cancel or reduce the limit granted by it to a scheduled bank or to reject the demand promissory note of any particular exporter submitted by the bank. State Bank will also have the right to debar any exporter if it is satisfied that it has misused the facility. Decision of the State Bank in this regard shall be binding upon banks/exporters.

10.2 Every scheduled bank shall submit such additional returns or furnish such information in respect of refinance case as the State Bank of Pakistan may require from time to time.

10.4 A general guideline has been provided as per "Annexure – C" for information and necessary action of banks while processing application for loans and shipping documents etc. as also for Direct and Indirect Exporters.

#### **11. Period of preservation of Record.**

11.1 The period of preservation of record relating to Export Finance Scheme will be 3 years in cases where no fine has been recovered or fine recovered does not pertain to non shipment provided there is no dispute between the bank and the borrower. Banks may like to protect their interest in such cases, without putting exporter to any hardship.

11.2 In cases where fine has been recovered from the exporter on account of non shipment or any other default, the banks shall be under obligation to keep records of such cases for a period of at least six years.

#### **Refund of fine.**

12.1 The exporter may lodge request for refund of fine if recovered for non shipment to the bank concerned alongwith shipping documents. Such request shall be processed by the bank within 7 days of receipt of the request, the bank shall record a certificate of correctness of the refund claim and would approach the concerned Office of SBP for refund of fine as per instructions contained in para 7.4 above. The SBP office concerned will examine the case and allow refund of fine within a maximum period of 5 working days of its receipt.

12.2 In cases of failure to export or delay in export for the reasons beyond the control of the borrower, State Bank may, at its absolute discretion, waive / refund the entire fine or part thereof. Such representations are required to be made by the borrower concerned with full facts / supporting cogent reasons to the SBP Office concerned which will be considered in the Central Directorate and relief granted if found justified.

#### **Inspection of Refinance case.**

13.1 The SBP Office concerned will nominate their representative Officers to conduct checking of any particular branches / Office and intimate their names to the Zonal Chief of the bank one day before such inspection. The bank shall extend all possible help for the smooth checking of the cases and the officials of the bank shall co-operate with the authorized Offices to carry out their work expeditiously. Such checking shall be in addition to the regular inspection of the bank conducted by our Banking Inspection Department. As such checking by Export Refinance Section of concerned SBP Offices, shall not absolve bank from their responsibilities under the Scheme.

13.2 The concerned SBP Office will undertake random on-site checking of refinance cases during the currency year and will examine the entire documents. In case irregularities are pointed out involving recovery of fine on account of any default in processing of case or scrutiny of shipping documents, fines levied upon banks for such irregularities shall not be refunded. However, where such irregularities / deviations were found to have been willfully suppressed by the employees of bank the concerned institution shall be at a discretion for taking such punitive actions as considered appropriate by the management of the bank. Subsequent to the finalization of the checking no claim for refund relating to modification in documents etc. from the borrower / bank will be entertained.

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'NEGATIVE LIST'

List of commodities not eligible for export refinance under the  
Export Finance Scheme alongwith their specific harmonized codes.

Sr.No.	Commodity	Harmonized Code	
		Main HC ITC	Sub Heading No.
1.	Raw Cotton (Excluding Surgical Bleached / Absorbent	52.01 52.02 52.03	1404.20
2.	All Types of Yarn	52.05 52.06	5207.1000 5207.9000
3.	Mutton and Beef other than frozen & preserved	02.01 02.02 02.03 02.04 02.06 02.08 16.01 16.02	Excl. 0208.20. Frog Legs
4.	Petroleum Products	27.08 27.10 27.11 27.12  27.13 27.14 27.15	Excl. 2710.0011 Motor Spirit.  Excl. 2712.1000 Petroleum Jelly Excl. 2712.2000 Paraffin wax.
5.	Crude Vegetable materials n.e.s.	06.01 06.02   12.11 12.13 12.14 13.01  13.02 14.01 14.02 14.03 14.04	(Excl. Rose Buds / Flower) (Excl. Sassafrass Leaves)    (Excl. Guar Gum Extract / Guar Protein / Liquorice Extract.
6.	Wool & Animal Hair	05.02 05.03 51.01 51.02 51.03 51.04 51.05	(Excl Wool Tops) (5105.29)
7.	Crude Animal Material.	04.07 04.08 05.04  05.05 05.06 05.07 05.08 05.09 05.10 05.11	(Excl. Animal Casings & Fatends).



8.	All Grains including Grain Floor	10.01 10.02 10.03 10.04 10.05 10.06  10.07 10.08 11.01 11.02 11.03 11.04 11.06	(Excluding Packeted Irri /Basmati / Parboiled / White Rice in retail packets of 1-50 kgs) *
9.	Stone, Sand and Gravel.	25.05 25.06 25.07 25.14 25.15  25.16 25.17 25.20 25.21	(Excluding: Onyx, marble and Granite tiles/slabs polished or unpolished cut into regular size with a maximum thickness of <b><u>one inch.</u></b>
10.	Waste & Scrap of all kinds	23.03 23.04 23.05 23.06 23.07 23.08 26.18 26.19 26.20 26.21 39.15 41.10 47.07  55.05 57.03 71.12 72.14 74.04 76.02 78.02 79.02 80.02	2303.10 (Excluding Rice Gluten)       5301.30 5303.90
11.	Fertilizer Crude	25.10	3101.00 3102.50 3104.10
12.	Jewellery exported under the Entrustment Scheme.		(Excluding Gold Jewellery embedded with or without precious/semi precious stones to be financed as per BPRD Circular No.10 of 1996 on case by case basis against Firm Export Order/LC.
13	Live Animals	01.01 01.02 01.03 01.04 01.05 01.06	(Excl. Hatching Eggs & Day Old Chicks

14	Hides & Skins	41.01 41.02 41.03	
15	Leather Wet Blue	41.04 41.05 41.06 41.07	4104.21 to 4104.29 4105.11 to 4105.19 4106.11 to 4106.19 4107.21
16	Crude Minerals	25.01 25.02 25.03 25.04 25.07 25.08 25.09 25.11 25.12 25.18 25.19 25.22 25.25 25.26 25.27 25.28 25.29 25.30 27.01 27.02 27.03	(Excl. Refined / Treated Salt)
17.	Antiques	97.06	
18.	All Metal Ores	26.01 26.02  26.03 26.04 26.05 26.06 26.07 26.08 26.09 26.10  26.11 26.12 26.13 26.14 26.15 26.16 26.17 74.01 75.01	(Excl. Magnesite in the processed form)  (Excluding Blister Copper 26.03 & 74.01)  (Excl. Chrome concentrate in the processed form 26.10).
19.	Fur Skins	43.01 43.02 43.03	
20.	Wood in rough or squared	44.01 44.02 44.03 44.04 44.05 44.06 44.07 44.08 44.09	
21.	Bleached / Unbleached Cloth		

**RATES OF CHARGES RELATING TO EXPORTS**

SR.NO.	EXPORTS	MINIMUM	MAXIMUM
1.	Processing charges for Export Registration.	Rs.150/-	Rs.200/-
2.	Letters of Credit:		
a)	Advising	Rs.250/-	Rs.350/-
b)	Amendment Advising	Rs.200/-	RS.250/-
c)	Negotiation of Rupee Bills under Export L/Cs.	Rs.200/-	0.25%
d)	Confirmation	Rs.250/-	0.25% per quarter of part thereof.
e)	Transfer of Export L/Cs.	Rs.250/-	Rs.350/-
f)	Reimbursement payment to other local banks from non Resident Rupee Account.	Rs.250/-	Rs.350/-
3	If the documents are other banks for negotiation under restricted L/Cs	Rs 250/	Rs 350/
4.	Collections		
i)	Clean	Rs.75/-	Rs.100/-
ii)	Documentary (on which banks do not earn any exchange difference).	Rs.150/-	Rs.200/-
5.	Handling of Duty Draw Back Claims	Rs 250 per claim	@ 0.25% per claim
6.	Service Charges against export documents sent on collection basis where payment cover is already received in bank's Foreign Currency Account.	Paiza 10 per Rs.1000/- or Re 1/- per mille.	Paiza 13 per Rs.100/- or Rs.1.30 per mille.

General guidance and important notes

Some important tips for exporter / banks while availing / granting facilities under the Scheme and submission of prescribed documents there-against are as follows :-

- i) While scrutinizing the loan application, the bank shall ensure that exporter is availing the loan against a commodity which is eligible for exports. For this purpose, the HS Code for each commodity as mentioned in Form “B” and Form “C” shall be compared with the Negative list and if the code is not appearing in the same, the commodity for which facility is being sought shall be eligible under the Export Finance Scheme.
- ii) A stamp should be affixed invariably on the original copy of a firm export order / contract / letter of credit indicating the refinance loan No. and amount allowed by SBP subsequently for record purpose.
- iii) In case, any exporter has applied for finance against a firm export order / contract / letter of credit which has already availed finance / refinance in part, it must be ensured that the exporter has affixed a stamp:

“Utilized for refinance under Demand Loan (D.L.)  
No. \_\_\_\_\_ dated \_\_\_\_\_”

On such firm export order / contract / letter of credit duly countersigned by the authorized signatory of the bank through which Demand Loan has been obtained. It must also be confirmed that loans being availed of are covered under the above contract / letter of credit.

- iv) The bank shall keep original and a photo copy of firm export order / contract / letter of credit with endorsements on its reverse for record purposes for the period as prescribed under the Scheme.
- v) It shall be ensured that no finance is provided to an exporter for any amount of advance payment already received by him under a firm export order / contract / letter of credit.
- vi) The Direct Exporter is allowed to substitute any firm export order / contract / letter of credit with another export order / contract / letter of credit in respect of an eligible commodity only. But it will be mandatory on such an exporter to expressly mention that they have not availed any finance against the same or any other bank. In case any finance has been availed of or that document has been used for substitution in a loan earlier, the exporter will give particulars thereof as also subsequently furnish particulars of E Forms used for the purpose to the bank concerned.
- vii) The monitoring of loan will be on the basis of E Form number and the bank will ensure that one shipment utilized against a particular E Form is not included for reporting substitution under another firm export order / contract / letter of credit or the entry involved has not been / will not be reported for export performance under Part-II.
- viii) The stamp or date of “Shipped on Board” on Bill of Lading or flight date as shown on Airway bill will form the basis for determining actual date of shipment for calculation of period of delay in shipment under the Scheme if any. However, where shipment is effected from a Dry Port, the date of receipt for shipment as appearing on shipping bill or the date of custom clearance on duplicate E Form appraised by custom authorities at Dry Port, as the case may be, will be taken into account. It is understood that the gap between the two dates shall not be abnormal in normal circumstances.
- ix) The banks are required to repay the refinance on realization of proceeds in full or part thereof as the case may be, within three working days from such realization. Refinance shall be repaid by bank from its own sources on expiry of the maturity period of the loan. If the bank fails to do so, the concerned office of the State Bank shall recover the same on due date by debit to its account as is done at present. However, where repayment have been made by exporter before expiry of the loan, the same shall be repaid to State Bank within three working days from repayment made by the exporter. For this purpose the period will start from the receipt of such payment but will be exclusive of the date of its repayment to SBP. In case of default in repayment there will be no grace period and fine for the entire period for which the repayment was delayed will be charged at the prescribed rate. Intimation regarding repayment, giving particulars of respective demand loan shall be promptly made to the concerned office of the State Bank of Pakistan. Efforts shall also be made for prompt communication among different branches of the bank concerned with the branch dealing with respective office of the State Bank.

- x) The bank will not ask the exporter for substitution of firm export order / contract or letter of credit in cases where :-
- a) a commodity is replaced with another eligible commodity through such amendment, acceptable to both exporter and his client abroad.
  - b) rates / quantities / specifications are modified by the buyer under any amendment in firm export order / contract or letter of credit or in such case, though not covered by any amendment where buyers acceptance has been received by the bank.
  - c) the exporter has shipped the goods against another firm export order / contract / letter of credit and confirmed that “neither any refinance has been availed of nor will be availed of against specific E Form in any other loan under Part-I. Likewise export made under the specific E-Form will not be utilized for performance under Part-II”.
- xi) It will be obligatory on the part of the exporter to negotiate and realize the export proceeds under a specific E Form through the bank from which he has availed of refinance loan(s). However, in case circumstances do not permit realization of proceeds under a specific E Form through the bank which had issued the same, the realizing bank will realize and pass on the amount realized to the E Form issuing bank, promptly but not later than 3 working days of receipt of funds by it. Such proceeds when realized will be credited in the accounts of the exporter by the receiving bank only upon a specific NOC of the E-Form issuing bank. In that case too, the bank issuing NOC will be held responsible for delay in repayment of amount of refinance loan involved, if any.
- xii) The date of realization for the purpose of repayment of finance shall be the date of receipt of telex, advice or swift message by the Head Office or Principal Office or Zonal Office of a bank, however overnight receipts of such telex / advices / messages will be considered as receipts in the next working day in Pakistan. The export proceeds shall be appropriated within three working days towards liquidation of refinance loan. The Head Office / Principal or Zonal Office should ensure that it passes credits immediately to the concerned branches within a reasonable period of time. The date of liquidation of refinance loan shall be exclusive of the grace period.

Cont'd.....

xiii) The bank should use the following suggested check list of documents preferably for scrutiny of cases under EFS:-

AT FIRST GLANCE

1. Receiving date and time			
2. <del>Signature</del> Signature verified	<del>Yes</del> Yes	<del>No</del> No	
On D.P. Note	<del>Yes</del> Yes	<del>No</del> No	
On undertaking	<del>Yes</del> Yes	<del>No</del> No	
<del>L/c</del> L/c Contract are under lien of the Bank	<del>Yes</del> Yes	<del>No</del> No	
<del>Part of the L.C. contract</del> Part of the L.C. contract has been used for other D.L.	<del>Yes</del> Yes	<del>No</del> No	
	In case of yes		
	DL No.	Dated	

ON SRUTINY

1. D.P. Note			
<del>Revenue stamp</del> Revenue stamp of appropriate value affixed	<del>Yes</del> Yes	<del>No</del> No	
<del>Amount in words</del> Amount in words tally with the amount in figure	<del>Yes</del> Yes	<del>No</del> No	
<del>Stamp of the Co. &amp; Authorized Signatory</del> Stamp of the Co. & Authorized Signatory	<del>Yes</del> Yes	<del>No</del> No	
<del>Signature verification</del> Signature verification by bank	<del>Yes</del> Yes	<del>No</del> No	
2. Undertaking			
<del>All banks on the format</del> All banks on the format are duly filled in & in order	<del>Yes</del> Yes	<del>No</del> No	
<del>The particulars of L/C /Contract/Firm Order</del> The particulars of L/C /Contract/Firm Order as entered in the undertaking are in conformity with attached L/C /Contract/Firm Order.	<del>Yes</del> Yes	<del>No</del> No	
<del>Initially, the amount column</del> Initially, the amount column only states Foreign Currency	<del>Yes</del> Yes	<del>No</del> No	
<del>(Have value date and PKR value)</del> (Have value date and PKR value duly filled in as per prevailing rate on the date of disbursement)	<del>Yes</del> Yes	<del>No</del> No	
<del>H.S. Code</del> H.S. Code is that of Eligible commodity only	<del>Yes</del> Yes	<del>No</del> No	
<del></del>			
3. Local Inputs			
<del>Name and amount</del> Name and amount mentioned on SPO/ILC relates to applicant	<del>Yes</del> Yes	<del>No</del> No	
<del>Date, delivery to be effected.</del> Date, delivery to be effected. (should be within the time allowed for shipment).	<del>Yes</del> Yes	<del>No</del> No	
<del>Whether payment terms</del> Whether payment terms (on sight /on DA basis /Post dated Cheques etc.) duly filled in.	<del>Yes</del> Yes	<del>No</del> No	
4. Imported Inputs			
<del>Whether as per term of L/C</del> Whether as per term of L/C of opened	<del>Yes</del> Yes	<del>No</del> No	
<del>Commitment to provide documents</del> Commitment to provide documents also conform to Firm Order/Contract/LC	<del>Yes</del> Yes	<del>No</del> No	
<del>Commitment to provide shipping documents</del> Commitment to provide shipping documents within 21 days * from shipment.	<del>Yes</del> Yes	<del>No</del> No	
<del>Authority to Debit Account</del> Authority to Debit Account duly given	<del>Yes</del> Yes	<del>No</del> No	

Form ‘B’ or ‘C’ has to be completed after above checks and finance disbursed after incorporating the :-

- i) city of disbursement
- ii) date of disbursement
- iii) value date and
- iv) PKR equivalent as prevalent on the date of disbursement.

Due care must be exercised, while stamping the dates on D.P. Note, undertaking (stamp paper date must be prior to the date of disbursement), value date etc.

A utilization stamp must be affixed on original L/C, Firm export Order, ILC or DPO after providing finance each time.

Prepared by-----Checked by -----

\* As suggested by banks for timely scrutiny by them. The period under EFS is however 30 days.

Standardized Purchase Order (SPO) for purchase of Inputs  
by the Direct Export from Indirect Exporter

SPO: No._____	Date _____	Amount _____
---------------	------------	--------------

1. Name & Address of the Director Exporter (DE)
2. Name & Address of the Banker of the Direct Exporter
3. Name & Address of the Indirect Exporter (IDE)
4. Name & Address of the banker of the IDE
5. Reference of the Firm Export Order / L.C. 

No.                      Date
6. Particular of the commodity to be purchased :-

Commodity with its Harmonized Code	Quantity	Value Total	Due Date of Delivery	Payment Terms		
				Advance, if any	On delivery	Total
i	ii	iii	iv	v	vi	vii

7. Particulars in respect of exporter who intend to use inputs under Part-II :-

*	Entitlement of the DE under Part II fixed by the bank.	Amount finance provided as on date.	Total amount of SPOs already issued	Amount of the present SPO	Total value of SPOs (c + d)	Total value of the outstanding ILC	Balance entitlement (a-b-e-f)
	a	b	c	d	e	f	g

**Certified that the above contents are correct to the best of our knowledge and belief, and the above items being purchased / to be supplied shall be used for execution of an export order / L.C.**

Authorized Signature  
of the Direct Exporter

Authorized Signature  
of the IDE

Authorized Signature  
of the Bank of the DE

\* Instructions for filling of the table :-

- a. Entitlement means the amount of financing facility to which the Direct Exporter is eligible under Part II of the Scheme financed through the bank stated at Sr. No.2 above.
- b. Amount of finance means the finance provided by the stated bank to Direct Exporter for (i) his own value addition, and (ii) supplies already received by the DE against ILC or SPO.
- c. Total amount of SPO means the sum total of all SPOs already issued, however payment against them are yet to be made by the financing bank to the banker of the IDE.
- d. Total value of outstanding ILCs means sum total of the ILC already issued but yet to be negotiated.

**FORM OF THE AGREEMENT TO BE SUBMITTED BY THE  
PRINCIPAL / HEAD OFFICE OF THE SCHEDULED BANK  
(TO BE STAMPED AS AN AGREEMENT IN ACCORDANCE  
WITH THE LAW IN FORCE IN EACH PROVINCE).**

\_\_\_\_\_(Place)

\_\_\_\_\_(Date)

To,

The State Bank of Pakistan,

\_\_\_\_\_

\_\_\_\_\_

Dear Sir,

In consideration of your agreeing at our request, to make available refinance at your discretion to us from time to time under Section 17(2) (a) / Section 17(4) (c) of the State Bank of Pakistan Act, 1956, not exceeding the sum of Rs.\_\_\_\_\_ for which amount we have delivered to you a demand promissory note in your favour, we agree as follows :-

- (1) As security for the said refinance on each occasion on which we intend to avail refinance against finance extended by us, we shall deliver to you demand promissory notes acceptable to you and drawn on and payable in Pakistan based on bonafide finances provided by us to exporters on the basis of any one of the non interest modes of financing under the Export Finance Scheme and it being understood that the aforesaid accommodation will be made and continued on the faith of the truth and correctness of such certificates.
- (2) We undertake that we shall not extend finance to any exporter under the terms of this agreement unless we are satisfied that all parties liable thereon are financially sound, solvent and credit-worthy
- (3) We undertake that we shall at all times execute or maintain separate legal documentation and records including export order / letters of credit / standardized purchase order / inland letters of credit and further security documents, notes, bonds, agreements etc., including the assignment deed of securities now held by us or which may be obtained by us from our borrowers subsequently, as are adequate to safe guard our interest against the loan for which this agreement has been executed. We also agree and undertake to keep all such documents in trust for a reasonable period as per provisions of the Scheme. We further agree that you or any official authorized by you shall have the right of inspection of our records and documents for which refinance has been obtained by us and that you shall have the right to seek and obtain full assistance and cooperation from us for discharging your duties and performing you functions.
- (4) The profit to be earned by us from the exporters expressed in annual percentage shall not exceed the rate prescribed under the Scheme, which profit shall be shared by us with you in the manner laid down in the Scheme.
- (5) Without prejudice to your right to obtain repayment of the amount of refinance outstanding at any time on demand, we undertake that the refinance taken by us on each occasion will be repaid by us in the manner and within the maximum period prescribed under the Scheme. In case the exporter repays the finance earlier than the said period we shall be bound to repay to you the amount of refinance so repaid by the exporter within a period of 3 working days of the date on which the exporter repays the finance to us.



(6) Without prejudice to your rights as creditors against us for the realization of any bill of exchange / promissory note at maturity, we agree, if you so desire, to take at our expense, all steps as may be necessary to realize the money from our debtors and forthwith pay the same to you to the extent we are required to pay our obligation in the manner specified in paragraph (5) above and pending such payments shall hold the same for and on your behalf.

(7) We agree that the fact of your not taking steps to enforce payment of such demand promissory notes or any of them against the signatory or signatories thereon shall in no way release us from liability thereon and we further agree that it shall be unnecessary for you to give any notice of dishonour.

(8) We agree that in default of repayment by us on the demand promissory note executed by us or if demanded by you under the terms of clause 5 and 6 above, you have our authority not only to debit our accounts now held or which may be held here-after with you for the amount due by us against any or all of such demand promissory notes executed by us without further reference to but also to adjust or set off such amount against any amount which may be due from you to us or come into your possession and that we undertake not to question the correctness or propriety of such debits or set off on any ground whatsoever.

(9) We undertake to advise you promptly of any change in the position of any exporter provided with finance by us under the Export Finance Scheme where-against refinance obtained from you which can reasonably be considered to affect the security of the demand promissory note hereunder.

(10) We agree that under this Agreement, the demand promissory note executed by us for Rs. \_\_\_\_\_ (notice of dishonour of which promissory note is merely waived under Section 98 of Negotiable Instrument Act, 1881), and tendered by us in terms of clause 1 above and the securities / security documents mentioned in clause 3 and shall operate as a continuing security for the said refinance and all costs, under law notwithstanding the existence of a credit balance at any time or any partial payments or fluctuations in accounts or withdrawal of any part of the security.

(11) If the exporter provided with finance by us under the Export Finance Scheme fails to utilize the finance exclusively for the purposes prescribed or effect the supplies within the period prescribed under the Scheme, we undertake to recover from him within 15 days following the date of his failure to utilize the finance exclusively for the purpose, alongwith fines at the rates as may be prescribed by the State Bank from time to time. The fine so recovered will be passed on by us to the State Bank not later than three working days after the date of recovery. If we fail to pass on the fine as aforesaid you shall have the right to, (a) adjust or set off the same against any amount due to us from you, or (b) debit our accounts now held or which may be held thereafter with you.

(12) Any demand to be made by you under the agreement shall be sufficiently made if it is made in writing and addressed and sent by post or otherwise to our Head Office or our branch tendering the document mentioned in clause 1 above.

(13) We agree to obtain an undertaking from the exporter concerned that the finances provided by us to them, shall be exclusively used by them for financing exports or supplies of inputs and that they would promptly furnish, at their expense, such information, in such form and at such time as we may demand from time to time.

(14) We expressly understand that you are entitled to cancel this refinance limit or to recall the refinances at any time for any reason whatsoever or howsoever, without any prior notice to us and that you are entitled not to make any refinances anytime under the aforesaid scheme and that we have acquired no right or claim for demanding refinance from you by grant of the said lines of credit under the Scheme or by the execution of demand promissory note in your favour or by deposit of demand promissory note in your favour or by making a loan or advance to any borrower on the faith of this agreement.

(15) We agree that all amounts received by us from the exporter/supplier for which refinance has been obtained from you shall be applied by us in repayment of this refinance to you and till so applied, shall be held by us for and on your behalf.

(16) We agree that notwithstanding anything contained elsewhere in this agreement the amount of this refinance will become due and payable by us, if we commit breach of any of the terms and conditions of this agreement. We agree that you have our authority to decide whether we have committed breach of any of the terms and conditions of this agreement and that we shall not question such decision on any ground whatsoever.

(17) We agree to hold the securities / security documents now held or which may be held by us as security for the export finance given to the exporter/supplier as trust for you so long as any refinance in respect of these advances remain outstanding from us and by way of security for due repayment thereof and we undertake to deal with the same as you may direct. We further agree that if and when we realize these securities or any part of it we shall pay over to you all such realizations, to the extent required to pay our obligation and pending such payment, shall hold the same for and on your behalf. We further agree to assign / transfer to you, at your demand and at our expense, all such securities and security documents in your favour. We agree that despite such assignment / transfer the provision of clause 8, 9 and 10 shall mutatis mutandis apply.

(18) Save as is otherwise provided in this agreement such contents of the Scheme as circularized vide BSD Circular No. -----dated the ----- as modified from time to time which are relevant to this Agreement shall be deemed to have been incorporated in this agreement.

Yours faithfully,

For and / on behalf of \_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
(Name of the Scheduled Bank)

(Signature) \_\_\_\_\_

(Designation) \_\_\_\_\_

APPLICATION / UNDERTAKING FOR FINANCE  
(FOR PRE/POST SHIPMENT UNDER PART I  
TO BE SUBMITTED BY THE DIRECT EXPORTER)  
( To be executed on non-judicial stamp paper )

The Manager,  
\_\_\_\_\_ Bank Limited,  
\_\_\_\_\_ Branch,  
\_\_\_\_\_ (CITY)

Dear Sir,

I/We, the Direct exporters do hereby certify and confirm that a finance of Rs. \_\_\_\_\_ (Rupees \_\_\_\_\_ only) has been allowed to me/us by you under Part-I of the Export Finance Scheme of the State Bank of Pakistan on the basis of the following non-interest based mode, it being understood that return / profit to be derived by the bank shall not exceed \_\_\_\_\_% when converted into annual percentage terms :-

MODE OF FINANCING MARK-UP BASIS

2. I/We, further confirm and undertake that the aforesaid finance will be obtained by Me/us for export of an eligible commodity hereunder against valid firm export order/contract/letter of credit\* in my/our possession.
3. I/We, further confirm and undertake that the aforesaid amount of finance that will be availed by me/us shall be utilized exclusively to meet the cost / expenses of export of eligible commodities against firm export order/contract/letter of credit, particulars of which are given as under :-

Commodity of Exports with H.S. Code No.	Country of export	Amount of firm export order/contract/letter of credit					Expected Shipment Date
		No.	Date	Amount in Fcy	Value Date	Amount in equivalent Pak Rupee	
1.	2.	3.	4.	5.	6.	7.	8.

4. I/We, do certify that the finance is being obtained by Me/Us against bonafide transaction and I/We submit the following documents alongwith this application for your consideration of extension of finance facility to us from your bank under the Export Finance Scheme :-

	Preshipment	Postshipment
1.	Firm export order / contract / letter of credit	Firm export order / contract / letter of credit alongwith acceptance from buyer in case of discrepant documents
2.	DP Note duly executed in your favour	DP Note duly executed in your favour.
		Original duplicate of Form ‘E’.
		Invoice
		Bill of Lading / Airway Bill

5. I/We, certify and confirm that I/We have not obtained any finance against the above mentioned firm export order / contract / letter of credit / Inland letter of credit/standardized purchase order from any other Bank, except as under.

Amount of FEO/Contract/L/c	_____
Less: Amount of loan already taken	_____
Balance Amount	_____
Amount of Loan now being obtained	_____

6. I/We, do, hereby further undertake to submit the following documents for negotiation / collection against the firm export order/contract/letter of credit under which preshipment / postshipment\* finance has been allowed to Me/Us :-

	Preshipment	Postshipment
1.	Bill of Lading / Airway Bill	Export Proceeds Realization Certificate within a period of 120 days from the date of shipment or such extended time as prescribed under foreign exchange regulations.
2.	Invoice	
3.	Original duplicate copy of Form ‘E’	

7. I/We, further undertake that as the finance has been allowed to Me/Us as a post shipment facility the export proceeds against the documents involved will be appropriated immediately towards repayment of the finance allowed to Me/Us.

*(To be used in case of post shipment finance only)*

8. I/We, hereby confirm and agree that in the event of My/Our failure to effect shipment on or before 180 days and/or failure to submit the above mentioned documents to you within 30 days of the expiry date of finance, you have our Irrevocable Authority to recover from Me/Us and debit My/Our Account No.\_\_\_\_\_ maintained with you alongwith fine for non shipment, at rates prescribed by the State Bank of Pakistan from time to time on the amount of finance availed less the amount repaid as a result of part shipment, if any, from the date of original finance. I/We, authorize the bank to reimburse itself with the fine amount even if we have made a representation to SBP against imposition of fine under the Scheme.

9. I/We, do hereby further confirm and undertake that the documents in respect of the aforesaid Firm Order or Contract / L/C will be realized / negotiated by Me/Us through your Branch / Bank and proceed thereof will be appropriated immediately on realization / negotiation towards the aforesaid finance allowed by you to Me/Us.

10. I/We, do hereby further undertake that I/We shall not claim refinance against any amount of advance payment received from the buyer and that in case any such advance payment is received under the said firm export order/contract or letter of credit, if any, the same shall be surrendered to the bank towards repayment to SBP within three working days failing which I/We shall be liable to pay the fine for late repayment at the rate prescribed by SBP from time to time on the amount and the period involved.

11. I/We, do hereby confirm that where an Inland Letter of Credit (ILC/Standardized Purchase Order (SPO)\* has been established/opened or will be opened it is understood that I/We in my/our capacity as Direct Exporter shall remain liable for fulfilment of all the obligations under the said Scheme. I/We further certify that where supplies of inputs/finished goods made under the SPO/ILC are required these shall be used for the manufacture and export of only such commodity which are duly eligible for financing under the Scheme. I/We further confirm and undertake that in case of establishment of ILC or opening of SPO by Me/Us during the currency of the finance, the amount shall be allowed by Me/Us to be utilized by the Indirect Exporter to the extent of the amount and the period involved.

12. I/We further confirm and undertake that in case if the finance is repaid by Me/Us earlier than the due date, I/We, shall continue to be liable to submit to you the relevant proof of shipment of the goods for which the finance was made to Me/Us.

SIGNATURE VERIFIED BY THE BRANCH / BANK	AUTHORIZED SIGNATURE OF THE EXPORTER N.T.N. _____  STATUS: Manufacturing / Semi Manufacturing / Trading Co. { Write only applicable here } MAILING ADDRESS:
--	--

\* Strike out whichever, is inapplicable.

APPLICATION / UNDERTAKING FOR FINANCE  
(FOR PRE/POST SHIPMENT UNDER PART I  
TO BE SUBMITTED BY THE INDIRECT EXPORTER)  
( To be executed on non-judicial stamp paper )

The Manager,  
\_\_\_\_\_ Bank Limited,  
\_\_\_\_\_ Branch,  
\_\_\_\_\_ (CITY)

Dear Sir,

I/We, the *Indirect\** exporters do hereby certify and confirm that a finance of Rs. \_\_\_\_\_ (Rupees \_\_\_\_\_ only) has been allowed to me/us by you under Part-I of the Export Finance Scheme of the State Bank of Pakistan on the basis of the following non-interest based mode, it being understood that return / profit to be derived by the bank shall not exceed \_\_\_\_\_% when converted into annual percentage terms :-

BASIS MODE OF FINANCING MARK-UP

2. I/We, further confirm and undertake that the aforesaid finance will be obtained by Me/Us for supply of commodities described by me/us hereunder against valid Inland letter of credit/Standardized purchase order\* established/issued in my favour by (name of the Direct exporter).

3. I/We, further confirm and undertake that the aforesaid amount of finance that will be availed by me/us shall be utilized exclusively to meet the cost / expenses of supply of described commodities against Inland letter of credit / Standardized purchase order, particulars of which are given as under :-

Commodity to be supplied	Inland letter of credit / Standardized purchase order			Expected Supply Date	Particulars of Direct Exporters'		
	No.	Date	Amount		FEO/Contract/L/Cs.	No.	Date
1.	2.	3.	4.	5.	6.	7.	8.

4. I/We, certify and confirm that I/We have not obtained any finance against the above mentioned Inland letter of credit/standardized purchase order from any other Bank.

5. I/We, do, hereby further undertake to submit the following documents for negotiation / collection against the Inland Letter of Credit / Standardized Purchase Order under which preshipment finance has been allowed to Me/Us :-

- Invoice
- Truck / Railway receipt.
- Goods Received Note GRN / Delivery challan signed by the buyer.

6. I/We, hereby confirm and agree that in the event of My/Our failure to effect supplies on or before 120 days and/or failure to submit the above documents to you within 15 days from the expiry date of finance, you have our Irrevocable Authority to recover from Me/Us and debit My/Our Account No. \_\_\_\_\_ maintained with you along with fine for non shipment at the rate as prescribed by the State Bank of Pakistan from time to time on the amount of finance availed less the amount repaid as a result of part shipment, if any, from the date of original finance. I/We, authorize the bank to reimburse itself with the fine amount even if we have a made a representation to SBP against imposition of fine under EFS.

7. I/We further confirm and undertake that in case if the finance is repaid by Me/Us earlier than the due date, I/We, shall continue to be liable to submit to you the relevant proof of shipment of the goods for which the finance was made to Me/Us.

AUTHORIZED SIGNATURE OF THE EXPORTER

SIGNATURE VERIFIED  
BY THE BRANCH / BANK

N.T.N. \_\_\_\_\_

STATUS:    Manufacturing / Semi Manufacturing /  
Trading Co.   { Write only applicable here }  
MAILING ADDRESS:

\* Strike out whichever, is inapplicable.

Refinance Claim Form

To,

The State Bank of Pakistan,

\_\_\_\_\_

\_\_\_\_\_

Dear Sir,

In terms of the agreement executed by us with you on (Date) we hereby apply to you for refinance to the extent of Rs. \_\_\_\_\_ against finances provided by us to (name of the Direct/ Indirect Exporter) by way of export finance as per details given as under :-

1	Name of Branch:	
2	Name of Exporter	
3	Address of Exporter	
4	Particulars of Exporter:- i) Type of exporter ii) NTN Number iii) Export Regn. No.	Direct / Indirect*
5	Nature of business	Manufacturing / Semi manufacturing / Trading *
6	Finance provided against	Export order/Contract/Letter of credit/Inland letter of credit/Standardized purchase order *
7.	Particulars as to amount of Export order / Contract / Letter of credit/Inland letter of credit/Standardized purchase order :- i) Name of buyer ii) No. iii) Date iv) Currency v) Amount in Foreign Currency, (if applicable) vi) Exchange rate vii) Amount in Pak Rs.	
8	Particulars as to inputs of Export order/Contract/Letter of credit/Inland letter of credit/Standardized purchase order:- i) Domestic inputs ii) Foreign inputs (FC) iii) Value addition iv) Total amount v)	
9.	Amount of Finance granted	
10	Date of Finance	
11	Commodity to be Exported / supplied (HS Code)	
12	In case of post shipment date of shipment.	
13	Destination.	
14	In case financing has been extended to an Indirect Exporter: i) Direct exporters name ii) Firm export order /contract/Letter of credit iii) Date iv) Commodity	
15	Due date of shipment/supply	



16	Due date of repayment of finance	
17	Amount of finance already availed by the exporter against the Export order/Contract/Letter of credit mentioned in column 9 above	
18.	Amount of refinance requested.	

As provided in the said Agreement we enclose demand promissory notes for Rs           (in figures)           (Rupees           ( in words)           only) duly executed by us in your favour in respect of the finances sanctioned and disbursed by us to           (name of the Direct/ Indirect Exporter)          

***We hereby certify that we have obtained all the necessary documents in original as required under the Scheme and undertake to retain the same as per provisions of the Scheme and further that these have been checked and found in order and duly stamped. .***

We also authorize SBP to recover the amount of refinance alongwith fine, if any, in case the amount is not repaid by us on due date as specified above.

Authorised Signature of Bank  
(Name & Designation)

Authorised Signature of Bank  
(Name & Designation)

\* *Strike out, whichever is inapplicable*

Note :-

- 1) Refinance Claim Form is required to be submitted separately for each exporter alongwith D.P. Note of the amount of Loan.
- 2) For filling Column: No.8. Please specify all types of inputs for manufacturing the commodity.
- 3) The bank concerned will provide finance to IDE’s for supplies of domestic inputs, in case authorized by the direct exporter on the basis of ILC/SPO though that bank only.
- 4) Existing instructions with reference to ILC / SPO shall continue.

**DEMAND PROMISSORY NOTE**

On demand we name & address of the exporter promise  
to pay to the \_\_\_\_\_ Bank Limited or order the sum  
of Rs \_\_\_\_\_ ( Rupees \_\_\_\_\_ only)  
for value received plus their share in the return to be derived by us and fine, if any, as laid down  
in Export Finance Scheme obtaining on the date hereof.

( Authorized signature of the  
exporter )

( Name & Seal )

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Note :- Demand Promissory Note requires to be endorsed by the branch concerned in favour of  
its head office / principal office through which refinance is being claimed and further  
endorsed by them in favour of the SBP Office concerned.

for Annexure D and Annexure F please see separate file names as “Forms-1