

STATE BANK OF PAKISTAN
Banking Control Department
Central Directorate
Karachi.

BCD Circular No. 31

26th November, 1984

All banks and development finance institutions.

Dear Sirs,

**Elimination of 'Riba' from the Banking System-Making of
PLS Term Deposits by Banks/DFIs with the State Bank.**

Please refer to BCD Circular No. 27 dated the 24th December, 1980.

2. The following amendment may be made in the last para under item "B Liquid assets" of para 1 of the aforesaid circular:-

The following words appearing at the end of the last but one sentence of the para may be deleted:-

"Other than Government commodity operations in which they will not be invested"

3. In addition to banks, development finance institutions which are authorised to take deposits will also hereafter be permitted to make, at their absolute discretion, term deposits of one year with the State Bank on the basis of participation in profit and loss. It would be at the absolute discretion of the State Bank how to invest these funds in various non-interest avenues.

Yours faithfully,

(SIBGHATULLAH)
Director