

Annexure B
'Format of Agreement'

AGREEMENT TO BE SUBMITTED BY THE
PRINCIPAL / HEAD OFFICE OF THE SCHEDULED BANK
(TO BE STAMPED on Rs.100/- paper as an AGREEMENT IN ACCORDANCE
WITH THE LAW IN FORCE IN SINDH PROVINCE)

_____ (Place)
_____ (Date)

To,
The State Bank of Pakistan,
Karachi _____

Dear Sir,

In consideration of your agreeing at our request, to make available Chinese Yuan (CNY) loan at your discretion through competitive auctions of CNY loans held from time to time for which amount we will deliver to you a demand promissory note in your favour, we agree as follows:

1. As security for the said CNY loan in each auction when our bids for CNY loan are accepted by State Bank of Pakistan, we shall deliver to you demand promissory notes acceptable to you and drawn on and payable in Pakistan.
2. We undertake that we shall not extend CNY loan to any exporter/importer under the terms of this agreement unless we are satisfied with the underlying CNY denominated trade transaction and that all parties liable thereon are financially sound, solvent and credit-worthy.
3. We undertake that we shall submit the CNY denominated trade documents (letter of credit or firm trade contracts) as a proof of underlying trade transactions, along with bids for availing CNY loan through competitive auctions conducted and in accordance with the rules prescribed by State Bank of Pakistan from time to time. We also agree and undertake to keep all such documents in trust for a reasonable period and you or any official authorized by you shall have the right of inspection of our records and documents for which CNY loan facility 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 your functions.
4. We undertake that the CNY loan facility taken by us on each occasion will be repaid by us on the maturity of the transaction. In case of pre-payment by the customer, we will be liable to repay CNY to SBP within 2 working days of the date on which the customer repays to us.

5. 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.
6. 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 4 above, you have our authority not only to debit our accounts now held or which may be held here-after with you for the equivalent PKR amount, converted at prevailing exchange rate, due by us against any or all of such demand promissory notes executed by us without further reference to us 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.
7. 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.
8. Save as is otherwise provided in this agreement such contents of the CNY loan facility as circularized vide DMMD Circular No. 09 dated May 07, 2013 as modified from time to time which are relevant to this Agreement shall be deemed to have been incorporated in this agreement.

Yours faithfully,

1. For and / on behalf of _____

(Name of the Scheduled Bank)

(Signature) _____

(Designation) _____

2. For and / on behalf of _____

(State Bank of Pakistan)

(Signature) _____

(Designation) _____

Witnesses

1. _____ 2. _____