



# **BRANCHLESS BANKING - HOME REMITTANCES ACCOUNT (HRA)**

**BANKING POLICY & REGULATIONS DEPARTMENT  
STATE BANK OF PAKISTAN**

<b>Branchless Banking – Home Remittances Account (HRA)</b>	
<b>1. Objective</b>	<ul style="list-style-type: none"> <li>i. To facilitate swift and cost effective Home Remittances through Branchless Banking channel.</li> <li>ii. To increase financial inclusion through enhanced usage in Branchless Banking (m-wallet) accounts.</li> </ul>
<b>2. Applicability</b>	<ul style="list-style-type: none"> <li>i. All Branchless Banking (BB) provider banks including Commercial Banks, Islamic Banks and Microfinance Banks (MFBs) termed as Financial Institutions (FIs) or banks.</li> <li>ii. All individuals receiving Home Remittances through m-wallet accounts.</li> </ul>
<b>3. Eligibility</b>	<ul style="list-style-type: none"> <li>1. Only individuals can open these accounts as single.</li> <li>2. One CNIC holder can open only one HRA in a FI.</li> <li>3. This account is meant for beneficiaries of home remittances i.e. individuals having Pakistani nationality only.</li> </ul>
<b>4. Nature of Account</b>	<ul style="list-style-type: none"> <li>1. Special Level 1 (L1) accounts tagged as Home Remittances Accounts (L1-HRA) or HRA.</li> <li>2. The HRA could be new accounts or existing L1 accounts can also be tagged as HRA.</li> <li>3. FIs shall use HRA as sub account under the main mobile wallet/ m-wallet i.e. Level 1 BB account (without any change in the account number) in order to keep track of remittance transactions and related privileges/limits. However, for the customers; this shall be seamless and single account.</li> <li>4. FIs shall offer these accounts as saving or any other remunerative category.</li> <li>5. These accounts shall be Mobile accounts to be served through BB Agents.</li> </ul>
<b>5. Account Holder Data</b>	<ul style="list-style-type: none"> <li>1. Simplified account opening form preferably electronic form.</li> <li>2. In case of paper based forms, these forms should also be stored electronically in scanned form.</li> <li>3. Data/ information contained in these forms should also be stored at a centralized repository in a structured manner.</li> </ul>
<b>6. Account Opening Form</b>	<ul style="list-style-type: none"> <li>1. Account Opening Form (AOF) should be simple and cover basic customer information e.g. Name, Father/Spouse Name as written on CNIC, Date of Birth, Place of Birth, Mother’s Maiden Name, CNIC Number, Mobile Number, Address, Occupation, Source of income, Purpose of Account and disclosure of international remittance locations, relationship with the originator, specimen signature, Next of Kin.</li> <li>2. In case of more than one originator, the FI shall obtain information about all originators.</li> <li>3. AOF should be available in Urdu and English.</li> <li>4. Terms &amp; Conditions (T&amp;C) or any declaration should be simple, clear and legible in Urdu and English.</li> <li>5. One copy of AOF and T&amp;C signed by customer should be provided physically or electronically to the customer as proof of account opening.</li> </ul>

	6. HRA can also be opened through Mobile App provided that the identity of customer shall be verified through Biometric Verification System (BVS).
<b>7. Customer Due Diligence (CDD) Requirements</b>	<p>Identification and verification requirements as per BB Level-1 accounts.</p> <p>1. In addition:</p> <p>a) NADRA’s Biometric Verification shall be conducted at the time of opening of account to activate the HRA instantly. However, cost of such verification should not be passed on to the customer to encourage inflow of remittances.</p> <p>b) The FI shall ensure compliance of requirements for inward and outward wire/fund transfers outlined under AML/CFT Regulations and other laws as amended from time to time.</p> <p>c) The FI shall take necessary action(s) in accordance with law including filing Suspicious Transaction Reports (STRs) with FMU in case any unusual transaction/activity or high risk factor is observed.</p>
<b>8. Account Opening Point</b>	<p>1. BB agent having biometric device or Bank Branches.</p> <p>2. Accounts may also be opened by the FI’s permanent employee/staff through BVS by visiting customers’ places of business/ residences.</p>
<b>9. Account Activation</b>	Accounts may be opened and activated instantly after due diligence checks including biometric verification.
<b>10. Transaction Limit Inflow of Home Remittance*</b>	<p><b>Inward per day limit:</b> No Limit (<i>subject to maximum balance limit</i>)</p> <p><b>Maximum balance limit:</b> PKR.1,500,000/-</p> <p>Credit in HRA can only be made through Home Remittances. However, debit from an HRA to any other account may be made up to Rs.100,000/- per day</p>
<b>11. Transaction Limit Withdrawal of Cash*</b>	<p><b>Total Cash withdrawal per Day:</b> Rs. 50,000</p> <p><b>Total Cash withdrawal per Month:</b> Rs. 500,000</p>
<b>12. Cash withdrawal mechanism</b>	At BB agent location/ home delivery after biometric verification or at bank branch.
<b>13. Geographic Coverage</b>	Nationwide
<b>14. Initial Deposit and Minimum Balance Requirement</b>	There shall be no initial deposit and minimum balance requirement on these accounts.
<b>15. Account Statement</b>	FIs shall provide electronic mini statement/statement of account on customers’ demand and / or within the frequency set under relevant SBP requirements.
<b>16. Conversion of existing m-wallet holders</b>	1. Existing m-wallet holders intending to open HRA shall be required to undergo the one time registration process (to be designed by the FIs) including information on intended senders and relationship with beneficiaries and expected originating remittances countries.

	<ol style="list-style-type: none"> <li>2. The existing m-wallet holders who register for HRA through mobile application or other remote means shall be required to personally visit once to the nearby agent for face to face contact and for cash withdrawal from their HR Account. No debit transaction shall be allowed before the completion of the registration process.</li> <li>3. The representative of FI can also visit the customer at his place for face to face contact.</li> </ol>
<p><b>17. FIs' Responsibility and Agent Management</b></p>	<ol style="list-style-type: none"> <li>1. FIs shall: <ol style="list-style-type: none"> <li>i. Allow opening of HRA and related transactions only at those agent locations where biometric devices are available to serve the customers.</li> <li>ii. Seek interest from agents and revise service level agreements with them where needed.</li> <li>iii. Conduct enhanced due diligence of interested agents and continue effective on going monitoring including periodic audit of such agents.</li> <li>iv. Reassess the liquidity capacity of the agent for serving HRAs and ensure availability of cash at agent locations.</li> <li>v. Ensure to protect customers' financial and non-financial data from leakage and misuse.</li> <li>vi. Ensure that the agents are properly trained to serve the customers.</li> <li>vii. Ensure that HRA will be fed with the proceeds of home remittances.</li> <li>viii. Monitor these accounts in accordance with account purpose and customer profiles.</li> <li>ix. Ensure that no service charges are recovered by FI at the time of opening and closing of an account.</li> </ol> </li> <li>2. The matters like dormancy and activation of accounts, treatment regarding unclaimed deposits, prohibition of personal accounts for business purposes, updating of customers profiles, record keeping and reporting of suspicious transactions under the relevant law shall be governed under applicable rules/regulations.</li> </ol>
<p><b>18. Home Delivery</b></p>	<ol style="list-style-type: none"> <li>1. For home delivery of remittances, FIs shall ensure additional controls and monitoring since it carries a risk of misappropriations.</li> <li>2. FIs shall couple the home delivery service with real time SMS intimations to customer about amount of remittance received, withdrawn and the charges deducted.</li> <li>3. FIs shall also maintain a separate MIS of such withdrawals, for quicker resolution in case any complaints that may arise.</li> </ol>
<p><b>19. Incentives to promote remittances</b></p>	<p>Against each 100 USD being received as Home Remittances, BB providers will arrange to extend air time of amount equal to PKR 100 in HRA holder's registered SIM. For providing the air time of each Rs.100/- GoP will provide a smart grant of PKR 50 to concerned BB provider on account of technical up-gradation of their systems &amp; operations for Financial Inclusion.</p>

<p><b>20. Consumer Protection &amp; Financial Literacy /Awareness</b></p>	<p>Following steps will be taken:</p> <ol style="list-style-type: none"><li>1. The call center of the FIs shall:<ul style="list-style-type: none"><li>✓ update the sender as well as the receiver regarding the status of their remittances.</li><li>✓ manage complaint registration and ensure their redressal in shortest time period and as per regulatory requirements.</li><li>✓ spread consumer awareness through short messages.</li></ul></li><li>2. FIs shall provide a dedicated line for HRA holders to contact call center representatives directly to get HRA related information. This line must have a facility to receive a direct call by call-representative upon identification of HRA customers thus to avoid call center hassles or customer waiting time while they being on calls.</li><li>3. In addition, PRI’s customer facilitation and complaint management system would be available 24/7.</li><li>4. A mass media campaign will be launched to aware the masses regarding the benefits of the scheme.</li><li>5. Special briefings will be arranged for immigrants at different departure points.</li><li>6. FIs shall provide instant electronic messaging service for Cash withdrawals by HRA holders at dedicated locations of FI.</li></ol>
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\* The transaction limits shall be on the aggregate balance of main as well as sub account. However, in case no foreign remittance is received, the amount of withdrawal will not increase the current limit.

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