
AUTHORIZED RATES OF FOREIGN EXCHANGE

1. Authorized Rates of Foreign Exchange.

CHAPTER 3

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1. Section 4 (2) of the Act lays down that, except as may otherwise be directed by the State Bank, authorized dealers, authorized money changers and exchange companies shall be free to determine exchange rates for the conversion of Pakistan currency into any foreign currency or any foreign currency into Pakistan currency. A general permission has been given to Authorized Dealers to determine their own rates of exchange, both for ready and forward transactions for the public, subject to the condition that the margin between the buying and selling rates should not exceed ¹twenty paise per US dollar or its equivalent in other currencies. This condition does not apply to inter-bank transactions.
2. In the case of an import bill against which no forward cover has been taken by the importer, the exchange rate prevailing on the date of lodgement of the bill would apply.

¹ F.E. Circular No. 15 dated 17-10-2002