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CHAPTER 6

PRIVATE FOREIGN CURRENCY ACCOUNTS

1. Opening of Foreign Currency Accounts with Banks in Pakistan.

(i) Authorized Dealers may, without prior approval of the State Bank, open with them foreign currency accounts of the following: -

- a) Pakistan Nationals resident in or outside Pakistan, including those having a dual nationality.
- b) All foreign nationals, whether residing abroad or in Pakistan.
- c) Joint Account in the names of residents and non-residents.
- d) All diplomatic missions accredited to Pakistan, and their Diplomatic Officers.
- e) All International Organizations in Pakistan.
- f) Firms and companies established/incorporated and functioning in Pakistan, including those having foreign share-holdings except as outlined in sub-para (v) below.
- g) Charitable Trusts, Foundations etc. which are exempted from income tax.
- h) Branches of foreign firms and companies in Pakistan.
- i) Non-resident Exchange Companies even if owned by a bank or financial institution.
- j) All foreign firms/corporations, other than banks and financial institutions owned by Banks, incorporated and operating abroad provided these are owned by persons who are otherwise eligible to open foreign currency accounts.
- k) Exchange Companies licensed by the State Bank in terms of FE Circular No. 9 dated the 30th July, 2002.

However, the facility is not available to airlines and shipping companies operating in/through Pakistan or collecting passage and freight in Pakistan and the investment banks, leasing companies and modaraba companies including those which have been granted licences to deal in foreign exchange.

(ii) Opening of foreign currency account covered by sub-para (i) is subject to the condition that these are not fed with:

- a) any foreign exchange borrowed under any general or specific permission given by the State Bank, unless otherwise permitted;

- b) any payment for goods exported from Pakistan;
- c) proceeds of securities issued or sold to non-residents;
- d) any payment received for services rendered in or from Pakistan;
- e) earnings or profits of the overseas offices or branches of Pakistani firms and companies including banks, investment of resident Pakistanis abroad; and
- f) any foreign exchange purchased from an Authorized Dealer in Pakistan for any purpose.

(iii) Corporate Bodies/Legal entities cannot generate funds from the Kerb market for deposit in their foreign currency accounts.

(iv) Foreign currency accounts can be fed by remittances received from abroad, travellers cheques issued outside Pakistan (whether in the name of account holder or in the name of any other person), foreign currency notes and foreign exchange generated by encashment of securities issued by the Government of Pakistan.

(v) Opening by firms/companies of foreign currency accounts, which are to be fed through the funds of foreign equity/foreign currency loans raised for establishment of industrial and other projects and by contractors who receive payments in foreign exchange from the employers, would be as per procedure laid down in paragraph 9 of this chapter.

(vi) These accounts are free from all Foreign Exchange restrictions. In other words, account holders have full freedom to operate on their accounts to the extent of the balance available in the accounts either for local payments in Rupees or for remittance to any country and for any purpose or for withdrawals in the shape of foreign currency notes and travellers cheques. However, personal foreign currency accounts of any nature should not be used for commercial and business purposes. Further, in case of any deposit of foreign currency notes of more than USD 10,000 (or equivalent in other currencies) in a single day, the account holder shall be required to present the original receipt of acquisition. The Authorized Dealer shall keep on record the copy of such receipt. A restriction was placed on withdrawal in foreign currency from some categories of foreign currency accounts existing as on 28th May, 1998. The instructions issued vide FE Circular No.12 of 1998, as amended from time to time, would continue to be operative, till the restrictions are lifted. Holders of such accounts are, however, free to transfer their accounts from one Authorized Dealer to another.

(vii) Accounts can be maintained and payments (excluding local payments) made in any currency of choice of the account holder. Credit Card facility can be obtained by the account holders to the extent of the balances held in their respective accounts, for utilization in and outside Pakistan provided settlement of the bills in respect of expenditure within the country is made in Rupees only and the relevant foreign currency amount is taken by the Authorized Dealers in their daily exchange position.

(viii) Authorized Dealers can mark lien on the foreign currency accounts in respect of banking facilities like credit cards, bank guarantees and loan/credit etc. availed of by the account holders in and outside Pakistan. The aggregate amount of the facilities availed of in and outside Pakistan should not, however, exceed the balance in the respective accounts at any point of time and the regulations on credit should be strictly adhered to.

(ix) Head/Principal Offices of Authorized Dealers will send to the State Bank such returns in respect of these foreign currency accounts as may be prescribed from time to time.

2. Local US Dollar Instruments Collection and Settlement System.

With the liberalization of the foreign currency regime in the country, and to facilitate operations for maintaining Foreign Currency Accounts under FE-25, Local US Dollar Instruments Collection and Settlement System has been introduced in Pakistan with effect from March 11, 2004.

Scope and Salient Features of Local US Dollar Instruments Collection and Settlement System are given in Appendix VI-2:

3. Different Schemes for Foreign Currency Accounts.

Foreign currency accounts covered by paragraph (1) could be opened by the Authorized Dealers upto 28th May, 1998 under the State Bank's forward cover scheme, and thereafter under the rules introduced vide FE Circular No.25 of June 20, 1998. Separate ledgers will be maintained by the Authorized Dealers for these foreign currency accounts. In addition, Special Foreign Currency Accounts can be opened with the specific or general permission of the State Bank.

4. State Bank's Forward Cover Scheme.

(i) Under the State Bank's forward cover scheme, the Authorized Dealers will fix their own rates of interest for Term Deposits of 3 months, 6 months, 12 months, 2 years and 3 years provided they do not exceed the average Bid rates provided by British Banker's Association (BBA) for the concerned currencies at the close of business on the previous working day plus the margins prescribed by the State Bank from time to time. The maximum rates for payment of interest, including the margins allowed by the State Bank, are published daily by the Foreign Exchange Rates Committee.

(ii) As regards foreign currency deposits of less than 3 months including Call Deposits, Savings Bank, Special Notice etc. accounts, Authorized Dealers shall pay interest on the basis of return last allowed on similar Rupee PLS Accounts provided the rate at which interest is paid does not exceed the interest rate applicable to 3 months Term Deposits of the relevant foreign currency.

(iii) Authorized Dealers shall sell all the deposits in foreign currency accounts to the State Bank in multiples of US\$ 1,000/-, £ Stg.1,000/-, Euro 1,000/- and J. Yen 250,000/-. State Bank shall cover exchange risk of all such deposits as well as interest accruing thereon at the option of the Authorized Dealers, subject to payment of fee at the time of taking the forward cover at the rate(s) prescribed by the State Bank from time to time. Fee is payable on the full amount of forward cover obtained notwithstanding whether it is in respect of the amounts of deposit or for both the amount of deposit and interest. In case of premature withdrawal of deposit, fee for the unexpired period is refundable.

5. Acceptance of Deposits from foreign banks operating abroad and overseas branches.

As an exception to the rules set out in paragraph 1(i) (j) of this chapter, Authorized Dealers can accept foreign currency deposits from their overseas branches and foreign banks operating abroad, including financial institutions owned by them, provided the amount and period of maturity of such deposits is not less than those prescribed from time to time. Interest on these foreign currency deposits can be paid by the Authorized Dealers annually, six monthly or quarterly in accordance with the option exercised by the depositor in writing at the time of placement of deposits. Interest can be paid at the rate not exceeding the prescribed margins over Bid rate for the respective period as provided by the BBA at the close of business on the working day immediately preceding the date of deposit as published by the Foreign Exchange Rates Committee.

6. Payment of subsidy on account of interest differential.

Where the interest paid on foreign currency Term Deposits of 3, 6 and 12 months on the basis of BBA's bid rates as prescribed in the earlier paragraphs exceeds the return last allowed on similar Rupee PLS Accounts, State Bank shall reimburse the amount of differential on account of the excess to the Authorized Dealers. For the purpose of claiming reimbursement of the differential, Authorized Dealers should furnish to the Chief Managers' Offices of the SBP-Banking Services Corporation, details of individual foreign currency Term Deposits in the prescribed form (Appendix V-2) while surrendering the amount of foreign exchange to the State Bank. This statement will be submitted in triplicate and bear running serial number. After the interest has been paid, claim for payment of interest differential will be lodged by the Authorized Dealers with the Chief Managers' Offices of the SBP-Banking Services Corporation in the form given at Appendix V-3.

7. F.E. 25 Scheme.

(i) The amounts of foreign currency deposits accepted outside State Bank's forward cover scheme i.e. under F.E. Circular No. 25 of 1998, are not required to be surrendered to the State Bank and the Bank will not provide any forward cover for the same. The Authorized Dealers accepting such deposits are free to lend, invest and place on deposit such funds in Pakistan and abroad subject to the observance of regulations prescribed under the Banking Companies Ordinance.

(ii) Authorized Dealers are free to decide the rate of return offered on such deposits.

(iii) Authorized Dealers may open foreign currency accounts and extend trade loans under FE-25 Scheme in US Dollar (USD), Pound Sterling (GBP), Euro (EUR), Japanese Yen (JPY), Canadian Dollar (CAD), UAE Dirham (AED), Saudi Riyal (SAR), Chinese Yuan (CNY), Swiss Franc (CHF) and Turkish Lira (TRY).

(iv) Authorized Dealers may use the interbank placements and interbank SWAPs or any other source of foreign currency liquidity that is permitted under SBP Rules/Regulations to extend trade loans in the above foreign currencies. However, currency of the trade loan should be the same as that of the underlying LC/ Firm Trade Contract.

(v) In terms of BSD Circular No. 18 dated the 31st March, 2001, Banks have been allowed to use/invest their deposits mobilized under FE 25 for financing of Import/Exports. The Authorized Dealers must follow the guidelines on the subject which are available at Appendix VI-3.

8. Special Foreign Currency Accounts of Private Power Projects.

(i) Authorized Dealers may open the following Special Foreign Currency Accounts/Off-shore Foreign Currency Accounts of private power projects in Pakistan as per the Implementation Agreements (IAs) entered into with Private Power and Infrastructure Board (PPIB), Government of Pakistan. These accounts will be maintained during the construction and operation of the projects for the following purposes subject to the conditions mentioned against each and the balances held in such accounts will be retained by the Authorized Dealers in addition to their Exposure Limits and will also not be required to be reported under F.E. 25 Scheme:

a) Special Foreign Currency Account in or outside Pakistan.

This will be maintained for deposit of foreign equity and foreign currency loan under the Loan Agreement registered with the State Bank. The amounts available therein will be utilized for the purposes of the project as provided for in the IAs.

b) Special Foreign Currency Insurance Account .

This will be maintained for depositing amounts required for payment of insurance/reinsurance premia and for receiving insurance/reinsurance claims against covers taken in foreign currency outside Pakistan with the approval of the Controller of Insurance or with State Bank's approval from an insurer in Pakistan, provided that amounts not required for meeting expenditure in foreign exchange will be repatriated to Pakistan and converted into rupees.

c) Off-Shore Foreign Currency Control Account.

This will be maintained subject to the condition that PPIB/Independent Engineer would determine for each project the portion of revenues required to meet the foreign currency cost for operating the project.

d) Off-Shore Foreign Currency Operating Account.

This will be maintained subject to the condition that O&M expenses to be remitted/deposited periodically to this account will be apportioned by the PPIB/Independent Engineer.

e) Off-Shore Disputed Payment Escrow Account.

This will be maintained subject to the condition that the balance will be remitted to Pakistan once the dispute is over.

f) Off-Shore Foreign Currency Debt Payment Account.

This will be maintained for depositing the amount required for Debt Service.

g) Off-Shore Debt Service Reserve Account.

This will be maintained subject to the condition that this account will be liquidated simultaneously with the retirement of debt and the maximum balance in this account would not exceed the next 12 months Debt Service Payment (both Principal and Interest).

h) Off-Shore Foreign Currency Maintenance Reserve Account.

This will be opened and maintained subject to the condition that this amount will be liquidated simultaneously with the life of the agreement and that this account will hold the maximum of US\$ 3 million during the term of Power Purchase Agreement.

i) Off-Shore Foreign Currency Dividend Account.

This will be used for receiving remittance of dividends as and when declared and paid by the company.

(ii) ¹A monthly statement in the form prescribed at Appendix V-4 will be submitted electronically to the Statistics & Data Warehouse Department of State Bank at fca.stat@sbp.org.pk by 5th of the following month for each account separately. However, certificates from the companies' auditors to the effect that the payments made from the accounts are strictly in accordance with or covered under the Implementation Agreement, Power Purchase Agreement or other agreements, if any, approved by the Government will be submitted to Exchange Policy Department of the State Bank.

(iii) Interest earned on balances held in these accounts will be repatriated to Pakistan.

(iv) There will be nil balance in the Main Control Account and all other accounts after the expiry of the relevant Agreement Period.

(v) Any earnings from dealing in currency/exchange should also be repatriated to Pakistan.

(vi) Authorized Dealers will ensure that Income Tax, wherever due on payments made through the accounts, is duly deducted and paid to the Income Tax Authorities.

(vii) Authorized Dealers may also open Special Foreign Currency Accounts of the foreign EPC (Engineering, Procurement and Construction) and O&M (Operation and Maintenance) contractors of the Power Projects operating in Pakistan with the approval of the Government for receipt of foreign currency amounts under the contracts awarded to them by the Power Projects and its utilization in accordance with the EPC/O&M contracts.

¹ EPD Circular Letter No. 14 dated December 07, 2016

9. Special permission for Foreign Currency Accounts.

(i) Foreign Oil/Mineral exploration companies and foreign contractors and their foreign sub-contractors may be allowed by the Authorized Dealers to open foreign currency accounts under the Scheme described in paragraph 7 or Special Foreign Currency Accounts subject to the condition that they will meet all their expenditure in Pakistan including salaries of foreign nationals/non-residents in Pak Rupees only, out of rupee payments, if any, received by them in terms of their contracts/by converting in the inter-bank market funds received from their Head Offices/by converting funds from their foreign currency accounts in the inter-bank market.

(ii) (a) Firms and companies raising foreign equity and foreign currency loan may be allowed by Authorized Dealers to open special foreign currency account for receiving and retaining the foreign funds on submission of information about the source of foreign funding and the amount required to be retained in foreign currency. The funds available in such foreign currency accounts can be used by the account holders for making only those types of payments which are otherwise permissible in terms of the instructions laid down in this Manual (e.g. imports, consultancy) and which are related to the business of the account holder. Any amount not so used will be required to be converted into rupees in the inter-bank market and no withdrawal will be allowed in the shape of foreign currency notes.

(b) The concerned Authorized Dealer will be required to submit monthly statements in the prescribed proforma (Appendix V-4) electronically to the Statistics & Data Warehouse Department of the State Bank at fca.stat@sbp.org.pk by 5th of the following month for each account separately. However, the related import documents, invoices, agreements etc. will be submitted to Exchange Policy Department of the State Bank.

10. Reporting of receipts into and payments from foreign currency accounts.

Receipt of foreign currency amounts for credit to the foreign currency accounts under the Forward Cover Scheme should be reported by the Authorized Dealers as "Purchase" on Schedule 'J' under Code 9532, 9533, 9534, 9535, 9536 in the case of accounts opened in terms of paragraph 1 and under Code 9648, 9649, 9651, 9652 in respect of accounts opened under special permission granted by the State Bank in accordance with the provisions of paragraphs 8 & 9 *ibid*. Similarly payments out of the foreign currency accounts should be reported by the Authorized Dealers as "Sale" on Schedule E-4 under Code 1522, 1523, 1524, 1525, 1526 in the former case and under Code 1647, 1652, 1653 in the later case. Transactions in accounts covered by paragraph 7 are also required to be reported in the summary statements.

11. Reporting of local disbursements from foreign currency accounts.

Authorized Dealers should report the payments in rupees from foreign currency accounts as "Sale" on Schedule E-4 under Code 1522, 1523, 1524, 1525, 1526 or 1647, 1652, 1653 as the case may be. The Rupee receipts should simultaneously be reported as "Purchase" on relevant schedules under a code appropriate to the purpose of the receipt.

12. Reporting of interest on foreign currency accounts.

Interest paid by Authorized Dealers on Foreign Currency Accounts should be reported as "Sale" on Schedule E-4 of the monthly foreign exchange returns under Code 1431. The receipts should simultaneously be reported as "Deposits" in FCA on relevant schedules under an appropriate code.

12A. ²Maintenance of record of foreign currency transactions and reporting to the State Bank.

Authorized Dealers are required to maintain consolidated data/record of transactions routed through foreign currency accounts of individuals/entities at their head offices on monthly basis, in addition to the data/record already being maintained, in the following manner:

- i. Data of those personal foreign currency accounts maintained by individuals where aggregate amount exceeding US\$ 10,000 or its equivalent in other foreign currencies is deposited in, withdrawn from or remitted out from the account during the month as per the format at Appendix VI- 4.
- ii. Data of foreign currency accounts maintained by entities where aggregate amount exceeding US\$ 25,000 or its equivalent in other foreign currencies is deposited in, withdrawn from or remitted out from the account during the month as per format at Appendix VI- 4.

³Further, Authorized Dealers should report data related to foreign currency accounts (deposits, utilization and borrowings, etc.) and that reported through various statements to the Director, Statistics & DWH Department at fca.stat@sbp.org.pk electronically through the Data File Structure (DFS) available at Appendix VI-5 latest by 7th of the following month for each reference month.

13. Payments by Foreign Nationals in Foreign Currencies.

Payments in foreign currency by foreign nationals residing in Pakistan to or on behalf of residents of Pakistan whether Pakistanis or foreign nationals are prohibited. Foreign nationals should not, therefore, directly or indirectly, make foreign currency available to the residents or to other persons on their behalf against payment in Rupees. Such payments are prohibited even from their foreign currency accounts which they are permitted to maintain and operate from Pakistan.

14. Foreign Exchange received by Residents in Pakistan.

Payments in foreign exchange received by an Authorized Dealer on behalf of a resident in Pakistan must not be retained in foreign exchange but must be converted into Rupees unless the State Bank has given general or special permission to the beneficiary to retain the foreign exchange received by him.

² EPD Circular Letter No.03 dated February 23, 2016

³ FE Circular No. 01 dated February 17, 2017

Local US Dollar Instruments Collection and Settlement System

- (i) **Instruments:** All financial instruments (cheques, drafts etc.) denominated in US\$ drawn on bank branches (in cities as appear in the coverage list below) in Pakistan will be acceptable for this settlement system.
- (ii) **Coverage:** The bank branches in the following cities will participate in the Local US Dollar Instruments Collection and Settlement System:
- (a) Karachi (b) Lahore (c) Islamabad (d) Rawalpindi (e) Faisalabad
(f) Multan (g) Sialkot (h) Peshawar (i) Quetta (j) Mirpur
(k) Hyderabad.
- Collection from all other cities will be arranged/ managed by each bank, by making internal arrangements, through any one of the above cities.
- (iii) **Collection & Settlement Schedule:**
- (a) There are two collection and settlement days per week, i.e. Monday and Thursday.
- (b) If a collection / settlement day happens to be a bank holiday, then it will be skipped till the next collection/ settlement day.
- (iv) **Designated Office:**
- (a) Each bank will designate a branch/Regional/ Head office in Karachi for presenting outward and receiving inward instruments for collection and settlement through M/s National Institutional Facilitation Technologies (Pvt.) Ltd. (NIFT).
- (b) NIFT will deal with only one designated office of each bank in Karachi for settlement of Karachi and upcountry branches.
- (c) Each bank may also designate one branch in each city (i.e. from the coverage list) with whom NIFT and the designated branch of that bank in Karachi, if required, would liaise for issues regarding collection & settlement relating to other branches in that city.
- (v) **Mandatory Settlement:** It will be mandatory for the banks operating in Pakistan, whose Head Offices or branch offices are located in Karachi:
- (a) To be a member of this system.
- (b) To open US\$ settlement account with a minimum balance of US\$ 10,000/- for settlement with SBP-Banking Services Corporation (Bank) Karachi and thereafter to maintain sufficient balance to cater to the requirements keeping in view their

business volume. The said account will be remunerated on the same interest rate as for SCRR for FE-25.

(c) To settle payment of US\$ instruments drawn on them through this system or to return unpaid instruments on settlement date.

(d) In case the paying bank does not return the original instrument on the settlement date to the presenting bank, it will be assumed that the instrument has been accepted for payment and will be settled through this system accordingly.

(vi) Processing Cycle:

- (a) The collection/settlement will be centralized at Karachi. NIFT will interface with one designated branch of each bank in Karachi only.
- (b) Banks will route all inward/outward instruments from their branches in Pakistan through their designated branch in Karachi.
- (c) NIFT will collect/deliver all instruments for inward/outward settlement from the designated branches of Banks in Karachi, process the collection/settlement and deliver a consolidated statement to the respective designated branch of the bank.
- (d) Each designated branch in Karachi will forward the instruments received in inward collection to the payee branch of their bank directly for 'Acceptance' or 'Return unpaid'.
- (e) The payee branch will settle or return the original instrument, if any, to the designated branch in Karachi. NIFT will collect all return instruments from the designated branches in Karachi, process them alongwith inward collection and then route them to the related designated presenting Bank branch in Karachi.
- (f) The Settlement proceeds of the instruments would be communicated to the concerned branch immediately by electronic or any other means on the same day for crediting to the concerned depositor's account.

(vii) Date Stamp: The Collecting Bank will affix the stamp of the date on which outward instruments would be sent to NIFT for collection.

(viii) Settlement: The net settlement will take place by debiting or crediting the respective banks' US Dollar clearing accounts on settlement date.

(ix) Settlement Statements: NIFT will provide a statement of collection / settlement statistics on monthly basis to ascertain the expenses payable by the lodging bank to paying bank at the rate of Rs. 100/- per instrument (for cheques drawn on cities other than Karachi) irrespective of whether the instruments are paid or returned unpaid. All other reports and information will be produced and provided on the existing pattern as for rupee clearing. NIFT will provide stationery and usual collection / settlement preparation material to the branches as is being done for PKR clearing systems.

(x) Forced Retention: If for some unavoidable reasons the relevant bank is unable to provide a returned cheque on the specific collection/settlement date due to any reason beyond control, the designated bank office in Karachi will provide to the concerned bank alongwith inward clearing instruments, with a copy to NIFT, a document on prescribed format (agreed between the banks and NIFT) giving details

of the instrument, undertaking that the said instrument will be provided to the lodging bank directly on availability but not later than the subsequent collection / settlement date, that instrument will be considered as returned unpaid.

This process may function in a manner such that the designated bank will furnish the prescribed document in duplicate to NIFT in place of the returned document and NIFT will send the first copy to the lodging bank along with other returns, if any, as a return instrument.

(xi) Settlement in case of insufficient balances:

At any point in time when the net debit (inward & outward) cannot be paid out of a bank's US Dollar clearing account (due to insufficient balance) held with SBP-Banking Services Corporation (Bank), Karachi, the State Bank reserves the right to adopt a suitable alternate. This will primarily take the shape of payment through an appropriate overnight SWAP from the Pak Rupees clearing account balance of the bank with SBP to the extent of such shortfall in US Dollar account.

(xii) SWAP Limit for every Bank is advised to each bank individually.

(xiii) Settlement Charges:

NIFT will charge the presenting bank Rs.100/- per instrument for its services and Rs.100/- for processing a return instrument.

Guidelines on use of deposits mobilized under FE-25 Scheme for financing of Imports/Exports

(i) Exports (For financing pre-shipment, discounting/purchase of documents):

a) Trade loan facility under FE 25 scheme is entirely on self-liquidating basis from export proceeds.

b) At the time of allowing the facility, the foreign exchange component of such facilities should be surrendered to an Authorized Dealer at the buying rate.

c) Authorized Dealers are allowed to extend the pre-shipment finance after taking all necessary precautionary measures. Such facilities should be backed by an L/C or firm contract(s). In case of non-shipment/cancellation/partial shipment against such L/Cs or firm contract(s) and subsequent adjustment of foreign currency facilities, all FE-25 Loans against intended exports shall only be settled through realization of export proceeds or remittances from abroad.

d) Authorized Dealers are allowed to adjust foreign currency loan against pre-shipment finance from the proceeds of the post shipment facility, against which the pre-shipment facility was allowed earlier, like discounting of foreign bills in foreign currency.

e) On receipt of export proceeds, the Authorized Dealers would adjust the loan outstanding against that export bill and PRC can be issued to the extent of export proceeds at exchange rate on which original financing was allowed by converting into Pak Rupees accordingly. The reporting of 'E'/ 'EFE' forms would be done on the date of receipt of export proceeds.

f) All bank charges on exports and interest on such export loans would be recovered from inter-bank market against form 'M' that would be submitted alongwith the monthly foreign exchange returns.

g) For outstanding forward cover and subsequent financing of export bills in foreign currency, instructions contained in Para 11 Chapter 4 of FE Manual would apply.

h) The pre-shipment finance allowed against an L/C or firm contract would only be adjusted through discount of documents against the same L/C or firm contract.

In case, maturity of a pre-shipment export loan under FE-25 deposits falls prior to the date of realization of export proceeds, exporters have the option to convert the pre-shipment loan into post-shipment loan, provided the maximum period of the loan (both pre-shipment & post-shipment) does not exceed 270 days.

(ii) Imports (Financing against Import Bills)

- a) The facility for imports can be allowed only from the date of actual execution of import payments in foreign currency by creating a foreign currency loan against the importer. The maximum period of such loans should not exceed six (6) months from the date of disbursement.
- b) For repayment of the loan, the Authorized Dealers are allowed to purchase foreign currency to the extent of loan from inter-bank market at the prevailing exchange rate on the date of repayment in order to adjust foreign currency loan outstanding against such importer(s).
- c) Authorized Dealers are allowed to purchase foreign currency from inter-bank market to cover the interest amount on such loans against submitting 'M' forms alongwith monthly foreign exchange returns.
- d) The reporting of forms 'I' / 'EIF' would be on the date of actual payment against the documents.
- e) No forward cover will be provided to importer(s) who avail foreign currency finance against FE-25. The forward cover facility is allowed only against outstanding import commitments.

The reporting procedure would be as under:

(iii) Lending to Exporters.

At the time of extending the loan, the transactions will be reported on Schedule 'E-4' as payment for loan under the Code No.1535 or 1536 (The disbursement will be made in equivalent Pak Rs.).

At the time of adjustment of loan at realization of foreign exchange proceeds of exports, the realization of export bill will be reported under relevant code HS code on Schedule A-1. In case of non-realization of export receipts, use purpose code 9543 or 9544 at Schedule J.

(iv) Lending to Importers.

- At the time of extending the loan, payment abroad against import will be reported on Schedule E-2 under relevant HS code. However, at the time of adjustment of loan purpose code 9545 will be reported on Schedule 'J' as receipt.
- Authorized Dealers are allowed to utilize the funds under FE 25, generated through the following sources, for lending for trade related activities i.e. imports and exports:
 - a) Interbank placements
 - b) Interbank SWAPs (Buy/Sell \$)

- Foreign currency funds generated through SWAPs (Buy/Sell \$) from the State Bank would also be eligible for financing of above trade-related activities.
- Re-discounting of the export documents abroad in Foreign Currency is also permissible during normal course of business. Authorized Dealers are allowed to remit re-discounting charges according to para 18 Chapter 14 of the FE Manual.
- Substitution of the Contracts/LCs may be allowed upto a maximum period of six months from the date of disbursement of the loan. It means that settlement/execution of the last substituted Contract/LC should not extend beyond six months from the date of disbursement of loan.
- Authorized Dealers are required to submit FE-25 deposits & their utilization position on monthly basis to the Director, Statistics and Data Warehouse Department on the format showing currency wise position latest by the 7th of each month.

Appendix VI-4

1. ABC Bank Ltd.
Aggregate data of Deposits /Withdrawals/Remittances exceeding USD 10,000 or its equivalent in other currencies in Foreign Currency Account of Individuals for the month ended _____ (Annex. I)

Sr. No.	Name of Branch with Code	Title of Account	NTN/ CNIC/ Passport No.	A/c No.	Currency of Account (USD, GBP, etc)	Account Opening Date	Profession/ Nature of Business	Opening Balance at start of month	Total Credits (USD _____)			Total Debits (USD _____)			Cumulative Amount of Credits since start of the month	Cumulative Amount of Debits since start of the month	Balance as at End of the Month
									Cash	Transfer from other local FCY A/c/s	Inward Remittances	Cash Withdrawals	Transfer to other local FCY A/c/s	Outward Remittances			
1	2	3	4	5	6	7	8	9	10			11			12	13	14

2. ABC Bank Ltd.
Aggregate data of Deposits /Withdrawals/Remittances exceeding USD 25,000 or its equivalent in other currencies in Foreign Currency Account of entities for the month ended _____ (Annex. II)

Sr. No.	Name of Branch with Code	Title of Account	NTN No.	A/c No.	Account Category (Foreign Currency Account/ Special Foreign Currency Account, etc.)	Currency of Account (USD, GBP, etc)	Account Opening Date	Nature of Business	Opening Balance at start of the month	Total Credits			Total Debits			Cumulative amount of Credits since start of the month	Cumulative Amount of Debits since start of the month	Balance as at End of the Month
										Transfer from other local FCY A/c/s	Inward Remittances	Cash	Transfer to other local FCY A/c/s	Outward Remittances	Any other means (Please specify)			
1	2	3	4	5	6	7	8	9	10	11			12			13	14	15

Foreign Currency Accounts Transactions - Reporting Format

Sr	Field	Description	Variables
1	Sr. No.	Serial number of reporting	Serial
2	Bank	Reporting Bank's code as per ITRS reporting	ITRS codes
3	BankC	Counterparty Bank 's code as per ITRS reporting	ITRS codes
4	AD	Branch (authorized dealer) code as per ITRS reporting	ITRS codes
5	ADC	Counterparty authorized dealer's code as per ITRS reporting	ITRS codes
6	Title	Title of the account of account holder	Account Title
7	ID	Identification of account holder e.g. NTN/ CNIC/ Passport No. etc.	ID
8	IBAN	Account number of account holder as per IBAN	IBAN
9	Date	Account opening date	Date
10	EA	Economic activity of the account holder (ISIC 4)	List No. 01
11	IS	Classification of institutional sectors	List No. 02
12	ISC	Classification of institutional sectors for counterparty	List No. 02
13	Type	Type of deposits/ borrowings/ swaps	List No. 03
14	Maturity	Maturity of deposits/borrowings	List No. 04
15	FXSU	Foreign exchange sources and utilization	List No. 05
16	Purpose	Description of transactions/stocks	List No. 06
17	Currency	Currency code of the transaction	List No. 06
18	CurrencyC	Currency code in swap transaction	List No. 07
19	Country	Country code of the transaction	List No. 08
20	Amount	Amount in the respective currency	Currency Units

Note: Use code "11" for State Bank of Pakistan

List No. 01

Economic Activity (ISIC 4.0)	Code
01 - Crop and animal production, hunting and related service activities	01
02 - Forestry and logging	02
03 - Fishing and aquaculture	03
05 - Mining of coal and lignite	05
06 - Extraction of crude petroleum and natural gas	06
07 - Mining of metal ores	07
08 - Other mining and quarrying	08
09 - Mining support service activities	09
10 - Manufacture of food products	10
11 - Manufacture of beverages	11
12 - Manufacture of tobacco products	12
13 - Manufacture of textiles	13
14 - Manufacture of wearing apparel	14
15 - Manufacture of leather and related products	15
16 - Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials	16
17 - Manufacture of paper and paper products	17
18 - Printing and reproduction of recorded media	18
19 - Manufacture of coke and refined petroleum products	19
20 - Manufacture of chemicals and chemical products	20
21 - Manufacture of basic pharmaceutical products and pharmaceutical preparations	21
22 - Manufacture of rubber and plastics products	22
23 - Manufacture of other non-metallic mineral products	23
24 - Manufacture of basic metals	24
25 - Manufacture of fabricated metal products, except machinery and equipment	25
26 - Manufacture of computer, electronic and optical products	26
27 - Manufacture of electrical equipment	27
28 - Manufacture of machinery and equipment n.e.c.	28
29 - Manufacture of motor vehicles, trailers and semi-trailers	29
30 - Manufacture of other transport equipment	30
31 - Manufacture of furniture	31
32 - Other manufacturing	32
33 - Repair and installation of machinery and equipment	33
35 - Electricity, gas, steam and air conditioning supply	35
36 - Water collection, treatment and supply	36
37 - Sewerage	37
38 - Waste collection, treatment and disposal activities; materials recovery	38
39 - Remediation activities and other waste management services	39
41 - Construction of buildings	41
42 - Civil engineering	42
43 - Specialized construction activities	43
45 - Wholesale and retail trade and repair of motor vehicles and motorcycles	45
46 - Wholesale trade, except of motor vehicles and motorcycles	46

47 - Retail trade, except of motor vehicles and motorcycles	47
49 - Land transport and transport via pipelines	49
50 - Water transport	50
51 - Air transport	51
52 - Warehousing and support activities for transportation	52
53 - Postal and courier activities	53
55 - Accommodation	55
56 - Food and beverage service activities	56
58 - Publishing activities	58
59 - Motion picture, video and television programme production, sound recording and music publishing activities	59
60 - Programming and broadcasting activities	60
61 - Telecommunications	61
62 - Computer programming, consultancy and related activities	62
63 - Information service activities	63
64 - Financial service activities, except insurance and pension funding	64
65 - Insurance, reinsurance and pension funding, except compulsory social security	65
66 - Activities auxiliary to financial service and insurance activities	66
68 - Real estate activities	68
69 - Legal and accounting activities	69
70 - Activities of head offices; management consultancy activities	70
71 - Architectural and engineering activities; technical testing and analysis	71
72 - Scientific research and development	72
73 - Advertising and market research	73
74 - Other professional, scientific and technical activities	74
75 - Veterinary activities	75
77 - Rental and leasing activities	77
78 - Employment activities	78
79 - Travel agency, tour operator, reservation service and related activities	79
80 - Security and investigation activities	80
81 - Services to buildings and landscape activities	81
82 - Office administrative, office support and other business support activities	82
84 - Public administration and defence; compulsory social security	84
85 - Education	85
86 - Human health activities	86
87 - Residential care activities	87
88 - Social work activities without accommodation	88
90 - Creative, arts and entertainment activities	90
91 - Libraries, archives, museums and other cultural activities	91
92 - Gambling and betting activities	92
93 - Sports activities and amusement and recreation activities	93
94 - Activities of membership organizations	94
95 - Repair of computers and personal and household goods	95
96 - Other personal service activities	96
97 - Activities of households as employers of domestic personnel	97
98 - Undifferentiated goods- and services-producing activities of private households for own use	98

99 - Activities of extraterritorial organizations and bodies	99
00- Non of the above (for individuals having no activities)	100

List No. 02

Institutional Sectors	Code
S11 Nonfinancial corporations	S11
S121 Central bank	S121
S122 Deposit-taking corporations, except the central bank	S122
S123 Money market funds (MMFs)	S123
S124 Non-MMF investment funds	S124
S125 Other financial intermediaries, except insurance corporations and pension funds	S125
S126 Financial auxiliaries	S126
S127 Captive financial institutions and money lenders	S127
S128 Insurance corporations	S128
S129 Pension funds	S129
S1321 Central government	S132
S1322 Provincial government	S132
S1323 Local government	S132
S140 Household - businesses (business entities including individuals business accounts)	S141
S140 Household - Individuals (individuals personal account i.e; non business accounts)	S142
S15 Nonprofit institutions serving households (NPISHs)	S15
ROW non-financial corporations	S21
ROW central banks	S221
ROW deposit-taking corporations except the central bank	S222
ROW insurance corporations	S228
ROW other financial corporations	S22X
ROW general government - Foreign Diplomatic Missions	S23
ROW Household Businesses	S241
ROW Household Individuals	S242
ROW Nonprofit institutions serving households	S25
International non-financial organizations	S31
International financial organizations	S32

List No. 03

Type	Code
Transferable deposits - Demand	D
Transferable deposits - Savings	S
Other deposits	OT
Restricted deposits	R
FE-3 Borrowings	B
FE-3 Swaps	SW

List No. 04

Maturity	Code
Overnight	ON
Time – Upto one year	1Y

Time – More than one year

MY

List No. 05

FX Sources and Utilization

	Code
FE-25 Deposits	FE25
FCA-Old	FCO
Special FCA	SFCA
Special Permission FCA	SPP
Retention of Exports Proceeds Accounts	REP
FE-03 of 2007 - Borrowing	FE3B
FE-03 of 2007 Utilization	FE3U
FE-25 Utilization	FE25U
Others Utilization	OU

List No. 06

Transactions Description

	Inward	Code
Opening balance of FC deposits/ borrowing accounts/ net forward purchases under FE-03 of 2007		7000
Cash deposit		9000
Goods exports realization as permissible under SBP guidelines		HS Code
Services exports realization as permissible under SBP guidelines		9002
Education		9003
Health		9004
Travel		9005
Interest on deposits credited by the banks		9007
Profit, dividend from abroad		9008
Interest from abroad		9009
Compensation of employees		9010
Current transfers (grants donations etc not for capital formation)		9011
Capital transfers (grants donations etc for capital formation)		9012
Direct investment - Equity		9013
Direct investment - Loan		9014
Loans		9015
Deposits		9016
Transferred from other domestic foreign currency accounts		9017
Transactions for settlement Exchange Companies/ Correspondents Accounts		9018
Settlement of export proceeds shortfall/ overdue with banks within Pakistan		9019
Retention on account of goods exports as permissible under SBP guidelines		9020
Retention on account of services exports as permissible under SBP guidelines		9021
Borrowing under FE-03 of 2007		9022
Forward purchases under FE-03 of 2007		9024
Interest earned in special FCA abroad and transferred to Pakistan		9025
Funds received under back-to-back letter of credit		9026

Merchanting	9027
Receipts of ship owners, charterers and operators and/or owners etc.	9028
Local credit into FCA against sale of oil/gas etc. by oil/gas exploration companies in Pakistan under Petroleum Concession Agreement (PCA)	9029
Other inflows in FC deposit (please specify)	9030
Other borrowings (please specify)	9031

Outward	Code
Closing balance of FC deposits/ borrowing accounts/ net forward purchases under FE-03 of 2007	8000
Cash withdrawal for conversion into PKR	1000
Goods imports as permissible under SBP guidelines	HS Code
Services imports as permissible under SBP guidelines	1002
Payment abroad for education	1003
Payment abroad for health	1004
Payment abroad for travel	1005
Cash withdrawal for travel abroad	1006
Compensation of employees	1010
Current transfers (grants donations etc not for capital formation)	1011
Capital transfers (grants donations etc for capital formation)	1012
Conversion into PKR - Direct investment - Equity	1013
Conversion into PKR - Direct investment - Loan	1014
Conversion into PKR - Loan	1015
Conversion into PKR - Deposits	1016
Transferred to other domestic foreign currency accounts	1017
Transactions for settlement Exchange Companies/ Correspondents Accounts	1018
Settlement of export proceeds shortfall/ overdue with banks within Pakistan	1019
Payments from exports of goods retention account against permissible modes	1020
Payments from exports of services retention account against permissible modes	1021
Repayment under FE-03 of 2007 - Interest	1022
Repayment under FE-03 of 2007 - Principal	1023
Forward sales under FE-03 of 2007	1024
Funds paid under back-to-back letter of credit	1026
Payments of ship owners, charterers and operators and/or owners etc.	1028
Other payments from deposits accounts (please specify)	1030
Other payments against borrowing (please specify)	1031

Utilization	Code
Pre-shipment exports financing	6001
Post-shipment exports financing (including bills purchased and discounted)	6002
Imports financing	6003
Placement with banks within Pakistan	6004
Placement with banks outside Pakistan	6005
CRR balances with SBP	6006
SCRR balances with SBP	6007
US\$ clearing account with SBP	6008
Balances in nostro accounts	6009

Cash in hand	6010
Spot sales	6011
SWAPS against foreign currency with residents	6012
SWAPS against foreign currency with non-residents	6013
SWAPS against PKR with residents	6014
SWAPS against PKR with non-residents	6015
Long-term investment abroad	6016
Short-term investment abroad	6017
Forward purchases under FE-03 of 2007	6018
Forward sales under FE-03 of 2007	6019

List No. 07

	Currency	Code
United States Dollar		USD
Euro		EUR
Pound Sterling		GBP
Japanese Yen		JPY
Others Equivalent USD		OED
PKR (for swap transactions)		PKR

List No. 08

	Country	Code
Afghanistan		AFG
Aland Islands		ALA
Albania		ALB
Algeria		DZA
American Samoa		ASM
Andorra		AND
Angola		AGO
Anguilla		AIA
Antarctica		ATA
Antigua and Barbuda		ATG
Argentina		ARG
Armenia		ARM
Aruba		ABW
Australia		AUS
Austria		AUT
Azerbaijan		AZE
Bahamas		BHS
Bahrain		BHR
Bangladesh		BGD
Barbados		BRB
Belarus		BLR
Belgium		BEL
Belize		BLZ
Benin		BEN

Bermuda	BMU
Bhutan	BTN
Bolivia, Plurinational State of	BOL
Bonaire, Sint Eustatius and Saba	BES
Bosnia and Herzegovina	BIH
Botswana	BWA
Bouvet Island	BVT
Brazil	BRA
British Indian Ocean Territory	IOT
Brunei Darussalam	BRN
Bulgaria	BGR
Burkina Faso	BFA
Burundi	BDI
Cambodia	KHM
Cameroon	CMR
Canada	CAN
Cape Verde	CPV
Cayman Islands	CYM
Central African Republic	CAF
Chad	TCD
Chile	CHL
China	CHN
Christmas Island	CXR
Cocos (Keeling) Islands	CCK
Colombia	COL
Comoros	COM
Congo	COG
Congo, the Democratic Republic of the	COD
Cook Islands	COK
Costa Rica	CRI
Cote d'Ivoire	CIV
Croatia	HRV
Cuba	CUB
Curaçao	CUW
Cyprus	CYP
Czech Republic	CZE
Denmark	DNK
Djibouti	DJI
Dominica	DMA
Dominican Republic	DOM
Ecuador	ECU
Egypt	EGY
El Salvador	SLV
Equatorial Guinea	GNQ
Eritrea	ERI
Estonia	EST

Ethiopia	ETH
Falkland Islands (Malvinas)	FLK
Faroe Islands	FRO
Fiji	FJI
Finland	FIN
France	FRA
French Guiana	GUF
French Polynesia	PYF
French Southern Territories	ATF
Gabon	GAB
Gambia	GMB
Georgia	GEO
Germany	DEU
Ghana	GHA
Gibraltar	GIB
Greece	GRC
Greenland	GRL
Grenada	GRD
Guadeloupe	GLP
Guam	GUM
Guatemala	GTM
Guernsey	GGY
Guinea	GIN
Guinea-Bissau	GNB
Guyana	GUY
Haiti	HTI
Heard Island and McDonald Islands	HMD
Holy See (Vatican City State)	VAT
Honduras	HND
Hong Kong	HKG
Hungary	HUN
Iceland	ISL
India	IND
Indonesia	IDN
Iran, Islamic Republic of	IRN
Iraq	IRQ
Ireland	IRL
Isle of Man	IMN
Israel	ISR
Italy	ITA
Jamaica	JAM
Japan	JPN
Jersey	JEY
Jordan	JOR
Kazakhstan	KAZ
Kenya	KEN

Kiribati	KIR
Korea, Democratic People Republic of	PRK
Korea, Republic of	KOR
Kuwait	KWT
Kyrgyzstan	KGZ
Lao People Democratic Republic	LAO
Latvia	LVA
Lebanon	LBN
Lesotho	LSO
Liberia	LBR
Libya	LBY
Liechtenstein	LIE
Lithuania	LTU
Luxembourg	LUX
Macao	MAC
Macedonia, the former Yugoslav Republic of	MKD
Madagascar	MDG
Malawi	MWI
Malaysia	MYS
Maldives	MDV
Mali	MLI
Malta	MLT
Marshall Islands	MHL
Martinique	MTQ
Mauritania	MRT
Mauritius	MUS
Mayotte	MYT
Mexico	MEX
Micronesia, Federated States of	FSM
Moldova, Republic of	MDA
Monaco	MCO
Mongolia	MNG
Montenegro	MNE
Montserrat	MSR
Morocco	MAR
Mozambique	MOZ
Myanmar	MMR
Namibia	NAM
Nauru	NRU
Nepal	NPL
Netherlands	NLD
New Caledonia	NCL
New Zealand	NZL
Nicaragua	NIC
Niger	NER
Nigeria	NGA

Niue	NIU
Norfolk Island	NFK
Northern Mariana Islands	MNP
Norway	NOR
Oman	OMN
Pakistan	PAK
Palau	PLW
Palestinian Territory, Occupied	PSE
Panama	PAN
Papua New Guinea	PNG
Paraguay	PRY
Peru	PER
Philippines	PHL
Pitcairn	PCN
Poland	POL
Portugal	PRT
Puerto Rico	PRI
Qatar	QAT
Reunion ! Réunion	REU
Romania	ROU
Russian Federation	RUS
Rwanda	RWA
Saint Barthélemy	BLM
Saint Helena, Ascension and Tristan da Cunha	SHN
Saint Kitts and Nevis	KNA
Saint Lucia	LCA
Saint Martin (French part)	MAF
Saint Pierre and Miquelon	SPM
Saint Vincent and the Grenadines	VCT
Samoa	WSM
San Marino	SMR
Sao Tome and Principe	STP
Saudi Arabia	SAU
Senegal	SEN
Serbia	SRB
Seychelles	SYC
Sierra Leone	SLE
Singapore	SGP
Sint Maarten (Dutch part)	SXM
Slovakia	SVK
Slovenia	SVN
Solomon Islands	SLB
Somalia	SOM
South Africa	ZAF
South Georgia and the South Sandwich Islands	SGS
South Sudan	SSD

Spain	ESP
Sri Lanka	LKA
Sudan	SDN
Suriname	SUR
Svalbard and Jan Mayen	SJM
Swaziland	SWZ
Sweden	SWE
Switzerland	CHE
Syrian Arab Republic	SYR
Taiwan, Province of China	TWN
Tajikistan	TJK
Tanzania, United Republic of	TZA
Thailand	THA
Timor-Leste	TLS
Togo	TGO
Tokelau	TKL
Tonga	TON
Trinidad and Tobago	TTO
Tunisia	TUN
Turkey	TUR
Turkmenistan	TKM
Turks and Caicos Islands	TCA
Tuvalu	TUV
Uganda	UGA
Ukraine	UKR
United Arab Emirates-ABU DHABI	ARE
United Arab Emirates-Dubai	AR1
United Arab Emirates-Sharjah	AR2
United Arab Emirates-Ras-al-Khaima	AR3
United Arab Emirates-Ajman	AR4
United Arab Emirates-Fujairah	AR5
United Arab Emirates-Ummal-Quwain	AR6
United Kingdom	GBR
United States	USA
United States Minor Outlying Islands	UMI
Uruguay	URY
Uzbekistan	UZB
Vanuatu	VUT
Venezuela, Bolivarian Republic of	VEN
Viet Nam	VNM
Virgin Islands, British	VGB
Virgin Islands, U.S.	VIR
Wallis and Futuna	WLF
Western Sahara	ESH
Yemen	YEM
Zambia	ZMB

