
**NON-RESIDENT RUPEE ACCOUNTS OF FOREIGN
BANK BRANCHES AND CORRESPONDENTS**

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NON-RESIDENT RUPEE ACCOUNTS OF FOREIGN BANK BRANCHES AND CORRESPONDENTS

1. General.

Rupee accounts of all banks' overseas branches or correspondents are treated as non-resident accounts. The accounts of different branches of the same bank situated in different countries must be identified separately and the accounts of each branch or group of branches in one country should be designated as accounts of that country.

2. New Non-Resident Accounts of Banks.

Authorized Dealers may open new non-resident Rupee accounts in the names of their overseas branches or correspondents without the prior approval of the State Bank.

3. Operations on Non-Resident Bank Accounts.

Drawings can be made on the non-resident Rupee accounts of overseas banks by their branches and correspondents located in any other country irrespective of their monetary area.

4. Transfer to the Credit of Non-Resident Bank Accounts.

Any payment for credit to non-resident Rupee account of any bank's overseas branch or correspondent constitutes an outward remittance and is equivalent to a sale of the appropriate foreign currency. Such payments may be made by the Authorized Dealers against approved transactions covered by 'T-1', 'T' or 'M' forms approved by the State Bank or by the Authorized Dealers on behalf of the State Bank as permissible.

5. Transfer to the Debit of Non-Resident Bank Accounts.

Payment in Rupees to the debit of non-resident Rupee accounts of banks' overseas branches and correspondents constitutes an inward remittance and is equivalent to purchase of the appropriate foreign currency. Such payments may be made freely by the Authorized Dealers.

6. Transfer between the Accounts of Non-Resident Bank Branches or Correspondents.

Transfers between non-resident bank accounts may be freely allowed by the Authorized Dealers irrespective of their monetary area. In respect of such transfers credits should be covered by form 'M' in which the name and address of the bank whose account is debited and the name of the Authorized Dealer with whom that account is maintained should be given. The form may be approved by the Authorized Dealer on behalf of the State Bank. No form need to be completed covering debits, details of which should be reported to the SBP-Banking Services Corporation in the manner prescribed in Chapter 22.

7. Credits to Non-Resident Bank Accounts against Foreign Currencies purchased by Authorized Dealers.

Authorized Dealers may freely purchase foreign currencies from banks' overseas branches and correspondents and credit the Rupee equivalent to their non-resident Rupee accounts.

8. Debits to Non-Resident Bank Accounts against Currencies sold by Authorized Dealers.

Prior approval of the State Bank would be required for the sale of foreign currencies to non-resident bank branches and correspondents against credit balance available in their non-resident Rupee account.

9. Non-Resident Accounts of Exchange Companies.

Non-resident Exchange Companies may, in addition to opening a foreign currency account under F.E. Circular No. 25 of 1998, open non-resident rupee account for the purpose of effecting payment of remittances made by overseas Pakistanis. Such accounts will be fed by sale of foreign currency by the account holder. Authorized Dealers are permitted to enter into drawing arrangements with the exchange companies subject to the condition that they will obtain guarantee of a reputable bank equivalent to one month's aggregate rupee drawings, and the replenishment from the exchange companies should be called within 4 to 5 days of the drawings.