

Frequently Asked Questions –FAQs

Q.

Please explain the revised procedure of reporting for Loan extended to importer and exporter from FE 25 deposits because we feel that some codes of payments are missing from your Code Guide. Please also compare the old and new procedure with example.

Ans.

We have tried to accommodate all possible transactions in the Code Guide. The case referred to may be explained as under:

Suppose a loan of US \$ 100,000 is extended to an importer or exporter against a commodity say “*Petroleum Jelly*” at 0 percent rate of interest, the treatment of this loan according to old and new system will be as follows:

Loan extended to importer from FE 25 deposits

Old System

A- At the Time of extending loan

1 Schedule J	9711	100,000
2 Schedule E-2	3351	100,000

B- At the time of adjustment of loan

3 Schedule D (Purchase from SBP)	6013	100,000
4 Schedule E-4	1712	100,000

C Overall impact

	+100,000(1)-
	100,000(2)+100,000(3)-
Trade Nostro balance	100,000(4)=No impact
FE 25 balance	-100,000(1)+100,000(4)=No impact

New System

A- At the Time of extending loan

1 Schedule E-2	27121000	100,000
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B- At the time of adjustment of loan

2 Schedule J (Receipts against FX loan to importers)	9545	100,000
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C Overall impact

Trade Nostro balances	No impact
Currency & Deposit balance	-100,000(1)+100,000(2)=No impact

Loan extended to exporter from FE 25

Old System

A- At the Time of extending loan		
1 Schedule J	9711	100,000
2 Schedule D (Sale to SBP)	2013	100,000
B- At the time of adjustment of loan		
In case of realization of export receipts		
3 Schedule A -1	3351	100,000
4 Schedule E -4	1712	100,000
In case of non-realization of export receipts		
3 Schedule D (purchase from SBP)	6013	100,000
4 Schedule E -4	1712	100,000
C- Overall impact		
	+100,000(1)-	
	100,000(2)+100,000(3)-	
Trade Nostro	1000,000(4)=No impact	
FE 25	-100,000(1)+100,000(4)=No impact	

New System

A- At the Time of extending loan		
1 Schedule E -4 (Trade Finance)	1535 or 1536	100,000
B- At the time of adjustment of loan		
In case of realization of export receipts		
2 Schedule A -1	27121000	100,000
In case of non-realization of export receipts		
2 Schedule J (Trade Finance)	9543 or 9544	100,000
C- Overall impact		
Trade Nostro	No impact	
FE 25	-100,000(1)+100,000(2)=No impact	

Q.

A new item “*Purchases from other exchange companies in Pakistan maintaining a separate currency position*” has been introduced in S-1. What is the document code and what is the name of Schedule?

Ans.

Document code is **25** for the new item added in summary statements S-1 & S-6 as “*Purchases from other exchange companies in Pakistan maintaining a separate currency position*” and schedule for this item will be “**W**” in the software.

Q.

FE25 deposits are required to be reported in the foreign exchange returns. How will the opening balance of FE25 deposits for the month of April 2003 be incorporated in the returns?

Ans.

Two separate codes “**9992**” for Cr. balance in Schedule-J and “**1992**” for Dr. balance in Schedule E-4 have been allotted.

Q.

There are more than 6,000 HS codes. Your system just displays all codes alphabetically. It is time consuming. Please provide the best solution?

Ans.

Additional facility has been provided in the Software to search the commodity codes on a “**Keyword**”. Most of the banks have already collected the revised software. If you have not, please collect from the Statistics Department.

Q.

A foreign shipping company EPL often converts foreign currency cash into Pak. Rupees. What are the suitable codes for these conversions?

Ans.

The foreign shipping companies often convert cash into Pak. Rupees for bunker oil, repairs or to meet port expenses in Pakistan. Therefore three codes for this purpose are available in **Code List No. 5** as under:

9012 - Receipts by oil companies in Pakistan for supply of bunker oil to foreign ships.

9013 - Remittances received from foreign shipping companies either by the repairers directly or through their agents, covering the cost of repairs, maintenance, salvage, etc. of foreign ships.

9014 - Receipts from abroad by foreign shipping companies or their agents on account of stevedoring, harbor fees, crew expenses and other expenses of foreign ships in Pakistan. This does not include receipts for supply of bunker oil or their collections in Pakistan for freight, passage, etc.

Q.

Item 12 under current transfers of the Code list 5 says remittances received from Pakistani workers living abroad for one year or more on account of family maintenance in Pakistan is Workers’ Remittances. How can a banker ascertain the period of one year or more?

Ans.

The remittances received through banking channel are often from those expatriates who have been living abroad for more than one year. However, if you manage to find out the remitter's stay abroad being less than one year, please report the transaction under code **9291 – Compensation of Employees.**

Q.

Postal Packages not classified according to kind and Special transactions/ commodities not classified according to kind were available in the old commodity list against purpose codes "9110" and "9310" respectively. But both are not available in the present HS codes list. Please advise the relevant codes?

Ans.

Both codes are available at page 42 of the Code Guide which are "99910000" and "99920000" respectively. The same are also incorporated in the system software under HS system.

Q.

A Pakistani worker sends money from abroad to his relatives for purchase of a house for rental purposes. Is it FDI or WR?

Ans.

Since the repatriation of money to the country where the Pakistani worker resides is not involved. It is neither FDI nor WR but a private transfer and should be reported under purpose code **9476 (Private transfers n.s.e.)**

Q.

Where will the commission charged on Credit/ATM cards be reported?

Ans.

Purpose codes for Bank commission and charges are available in the Code Guide. Purpose code **9171** is for commission received and **1171** is for commission payment.

Q. Briefly describe the steps involved in updating the system software for reporting data.

Ans.

Foreign Exchange Returns – Data Reporting Software

System Upgrade Steps:

1. Copy the contents of system disk supplied by the statistics department in the existing folder "**\SBP**" of your computer.
2. Run the file namely "**HSBAT**" by writing it at the dos prompt of "**\SBP**" directory.
3. System is now upgraded and ready to use.

Use of code:

1. Use new 4-digit codes supplied for the reporting of invisibles from April 2003 onwards in the Code Guide also available at <http://www.sbp.org.pk/circular.htm>. It should be noted that new codes are altogether different in definition from the previous ones.

2. Use 8-digit harmonized commodity codes available with the system for the reporting of visible data from April 2003. HS commodity codes are also available at <http://www.sbp.org.pk/circular.htm>

Preparation of Disk for SBP

3. Use the FER system “SBPSHED” installed on your PC for the reporting of invisibles after you have done with steps #1 and #2 for updating the system.

What you can do in SBPSHED:

- a) Punching of data for invisible
- b) Punching of data for capital schedules
- c) Printing of invisibles
- d) Printing of capital schedules
- e) Printing of summaries (Not recommended, print it from HS)

What you cannot do in SBPSHED:

- a) Reporting of Data for visible
- b) Prepare disk for visible data
- c) Reporting of Balances for Currency and Deposits
- d) Balances of visibles until you complete data entry in HS and use the option “Data up-load for returns”
- e) Printing of visibles

4. Use the “**HS system**” for the reporting of visible (Harmonized Codes) installed in the same “\SBP” directory/folder of your system. This system will run by writing HS in the “\SBP” directory/folder.

What you can do in HS:

- a) Reporting of Data for visible
- b) Reporting of Balances for Currency and Deposits
- c) Printing of summaries statements
- d) Printing of proofs for schedules (A1/O1, A2/O2, A3/O3, E2/P2)
- e) Prepare disk for visible and balances

What you cannot do in HS:

- a) Punching of data for invisible
- b) Punching of data for capital schedules
- c) Printing of invisibles
- d) Printing of capital schedules
- e) Prepare disk for invisibles

5. When you complete the data entry for visible, run item at #4 under HS Menu “Data up-load for returns”. This option updates the FER system as well, for the balances in HS.
6. Re-indexing is very important whenever you switch from HS to SBPSHED or vice versa.
7. Prepare the disk in the same manner from SBPSHED for each AD. In case of more than one AD, please first merge the disks and then prepare a single disk for SBP. Before preparing the disk make sure that you have

punched necessary data in HS and used the menu option “Data up-load for returns”.

8. Similarly prepare the disk under the HS menu for each AD. In case of more than one AD, please first merge the disks and then prepare a single disk for SBP. Before preparing disk in this system it is necessary to have the disk prepared in SBPSHED. Otherwise use separate disks for each system.
9. Use the proofs & summaries provided in the HS system for checking & reporting printouts under harmonized commodity codes.

Caution:

Please do not use the update history file in any case before you complete the disk preparation. It is only required to run when you switch to the data entry of the next month.

(For any technical assistance regarding software, please contact Mr. Shahid Latif at **244 50 3640**)

THANKYOU!

Contact us at bop.query@sbp.org.pk