

**13<sup>th</sup> August, 2004**

### **State Bank's Clarification**

A report appearing in a section of the press alleges that the State Bank of Pakistan has not taken any action against the lottery scheme launched by The Bank of Punjab (BoP). The report is incorrect and misleading.

It is clarified that mobilization of deposits by banks through lottery schemes is banned under SBP regulations and other relevant laws of the country and no bank is involved in mobilizing deposits through such schemes. The State Bank has strictly prohibited banks from mobilizing deposits through prize schemes and this prohibition has also been enforced effectively.

The *Crore Pati – PDF* Scheme is not the lottery scheme of The Bank of Punjab for mobilizing deposits. This scheme has been launched by the Punjab Government for the Punjab Development Fund. The Punjab Government has appointed Bank of Punjab as their banker and collecting agent for this scheme. BoP is only collecting proceeds for the Punjab Development Fund and crediting the same to their account. Besides BoP, MCB and ABL are also extending similar services for this scheme.

Hence, no violation of SBP regulations and other relevant laws of the country has taken place as banks are not mobilizing deposits for themselves but working only as collecting agents for the Punjab Government for its Development Fund. Therefore, the question of State Bank not taking the notice of this scheme does not arise.

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