

June 30, 2004

Successful Transition of Money Changing Business

The scheme announced by the State Bank of Pakistan for accommodating 375 Authorized Money Changers (AMCs) in the form of 'B' Category Exchange Companies has met with a resounding success. A total of 33 Licences for 'B' Category Exchange Companies have been issued to accommodate a vast majority of AMCs till the expiry of their (AMCs) Licences from the close of business on 30th June 2004. More than 90% of AMCs have already opted for any of the three options available to them. These options were to: (i) form an Exchange Company (ii) have a Franchise with an Exchange Company and (iii) set up a 'B' Category Exchange Company. A small percentage of AMCs have indicated their intention to exit the money changing business altogether. Only about 28 AMCs have remained undecided resulting in lapse of their authorization to transact the Money Changing Business. Such AMCs will not be able to continue their business legally in their own right. They can, however, continue to have the option of negotiating franchise/booth arrangements with the established Exchange Companies.

With the successful completion of this phase of bringing exchange business under the corporate discipline, a vast majority of such transactions will now come under proper documentation and shall be subject to the internationally accepted norms of Know Your Customer policy, identification/detection of suspicious transactions and would provide support to the efforts against money laundering.

It may be pointed out that the money changing business, in addition to authorized Dealers (Banks), will be transacted only through Exchange Companies w.e.f 1st July, 2004. All Money Changers, who were earlier authorized to transact exchange business under Licence from the State Bank of Pakistan, have ceased to function from the close of business on 30th June, 2004.

The following 33 Licences have been issued for setting up of 'B' Category Exchange Companies:

- 1) Money Masters Currency Exchange Company-B (Pvt) Ltd.
- 2) Time Exchange Company-B (Pvt) Ltd.
- 3) Rajgan Exchange Company-B (Pvt) Ltd.
- 4) Great Union Exchange company-B (Pvt) Ltd.
- 5) Overseas Exchange Company-B (Pvt) Ltd.
- 6) SKY Exchange Company-B (Pvt) Ltd.
- 7) World Wide Exchange Company-B (Pvt) Ltd.
- 8) Chase Exchange Company-B (Pvt) Ltd.
- 9) Mars Exchange Company-B (Pvt) Ltd.
- 10) United Exchange Company-B (Pvt) Ltd.
- 11) Premier Exchange Company-B (Pvt) Ltd.
- 12) Union Exchange Company-B (Pvt) Ltd.
- 13) Usman International Exchange Company-B (Pvt) Ltd.
- 14) World Exchange Company-B (Pvt) Ltd.
- 15) Universal Exchange Company – B (Pvt) Ltd.
- 16) Muhammadi Exchange Company-B (Pvt) Ltd.
- 17) Al-Khaleej Exchange Company-B (Pvt) Ltd.
- 18) Madina Exchange Company-B (Pvt) Ltd.
- 19) Harat Management Exchange Company-B (Pvt) Ltd.
- 20) Swiss International Exchange Company-B (Pvt) Ltd.
- 21) Chanda Exchange Company-B (Pvt) Ltd.
- 22) Mega Currency Exchange Company-B (Pvt) Ltd.
- 23) East West Exchange Company-B (Pvt) Ltd.
- 24) World Express Exchange Company-B (Pvt) Ltd.
- 25) Karwan Exchange Company-B (Pvt) Ltd.
- 26) Islamabad Exchange Company-B (Pvt) Ltd.
- 27) Aftab Exchange Company-B (Pvt) Ltd.
- 28) Best way Exchange Company-B (Pvt) Ltd.
- 29) Al-Pine Exchange Company-B (Pvt) Ltd.
- 30) International Exchange-B (Pvt) Ltd.
- 31) Al-Quaim Money Exchange Company-B (Pvt) Ltd.
- 32) Orient Exchange Company-B (Pvt) Ltd.
- 33) Capital Exchange Company-B (Pvt) Ltd.

These companies have branch network spread all over the country. Registered Head Offices of 15 companies are located in Karachi, 7 in Lahore, 6 in Islamabad/Rawalpindi, 2 in Quetta and 1 each in Gujranwala, Hyderabad and Kharian.