

26th February, 2005

SBP issues NGO Transformation Guidelines.

The State Bank of Pakistan today issued guidelines to facilitate the Non Government Organizations (NGOs)/Rural Support Development Programs (RSPs)/Cooperatives etc. interested in transformation into formal Microfinance Banks.

The guidelines define and discuss various aspects of transformation and prescribe minimum requirements to be completed by NGOs etc. for the purpose of transformation.

The guidelines are aimed at facilitating the NGOs in their transition from informal, non-profit and unregulated institutions to formal, for-profit and regulated financial institutions for the poor.

The guidelines are available on SBP website www.sbp.org.pk/about/micro/index.htm. For any query/clarification regarding the guidelines, Mr. Jameel Ahmed, Director, Banking Supervision Department, State Bank of Pakistan, Karachi may be contacted.

It may be pointed out that for the last 4-5 years, the State Bank has been actively engaged in promotion & development of a sound & stable microfinance sector in the country. It has taken a number of initiatives to help develop the sector including establishment of a separate division to focus on all Microfinance Institutions' (MFIs) issues & development of a separate regulatory framework for MFIs. The initiatives have started yielding positive results in the form of substantially improved activity in this sector and raising the confidence of the private sector to venture into microfinance sector.
