

December 15, 2014

## **SBP issues guidelines for export of sugar**

Government of Pakistan has allowed sugar mills to export 500,000 MT sugar as per the terms and conditions. Accordingly, the State Bank of Pakistan has advised authorized dealers (ADs) to process the export of sugar cases as per following mechanism.

ADs will forward the requests of Sugar Mills through their respective Departmental /Business/Group Heads to the Director, Exchange Policy Department, State Bank of Pakistan, Karachi for approval quoting the reference of the circular letter along with the attested / authenticated copies of the documents including clearance issued by the concerned Cane Commissioner to the effect that concerned sugar mill has cleared outstanding arrears of the growers, sugar export contract; E-Form and Irrevocable L/C or advance payment voucher, swift message and reporting schedule/credit advice, as the case may be.

SBP will allow permission against each E-Form on first come first served basis. ADs will ensure receipt of a minimum 15% of total contract value as advance payment or obtain an irrevocable L/C from the buyer. Exporter must ship the sugar within 45 days from the date of SBP approval or by March 31, 2015, whichever comes earlier. ADs shall ensure to forfeit 15% advance payment in favour of Government of Pakistan in case of non-performance within the stipulated time. ADs will submit sugar export shipment update to the Director, Exchange Policy Department, State Bank of Pakistan, Karachi on weekly basis as per the enclosed reporting format at [sugar.epd@sbp.org.pk](mailto:sugar.epd@sbp.org.pk) failing which SBP will initiate action under related rules and regulations.

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