



External Relations Department

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SBP inks agreement on Banking and Payment Arrangement with Bank Markazi Jomhuri Islami Iran

An agreement on Banking and Payment Arrangement (BPA) has been signed between State Bank of Pakistan (SBP) and Bank Markazi Jomhuri Islami Iran (BMJII) in Tehran. Mr. Riaz Riazuddin, Deputy Governor, SBP and Mr. Ghulamali Kamyab, Vice Governor, BMJII have signed the agreement on behalf of their respective central banks.

The objective of this BPA is to provide a trade settlement mechanism to promote trade between Pakistan and Iran. This mechanism will be used for the payment of trade conducted via letter of credit (L/Cs) and in accordance with international laws and regulations.

In the next step, both the central banks will invite banks in their respective jurisdiction to act as Authorized Banks for undertaking trade transactions under this BPA. Details of the mechanism will be issued by SBP in due course.

State Bank of Pakistan expects that this agreement will help in strengthening the trade links between the two countries.
