



External Relations Department

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Clarification on Foreign Currency Accounts Rules 2020

On 6th October 2020, the Federal Government issued Foreign Currency Accounts Rules, 2020 under the provisions of Protection of Economic Reforms Act, 1992. There has been no change in the general or special permissions given by the State Bank to individuals under the foreign exchange regulations. According to paragraph iv, Chapter 6 of the Foreign Exchange Manual, foreign currency accounts can be fed by remittances received from abroad, travelers' cheques issued outside Pakistan and encashment of securities issued by Govt. of Pakistan. A foreign currency account of a citizen of Pakistan resident in Pakistan can also be fed with cash foreign currency only if the account holder is a filer as defined in Income Tax Ordinance, 2001.

The recently issued rules aim to provide a regulatory framework for the operation of individual foreign currency accounts. Such a framework represents a continuation of the State Bank of Pakistan's efforts to strengthen the foreign exchange regime and make it more market-oriented. Looking ahead, SBP will continue to take steps to facilitate greater use of banking channels for individuals to meet all their foreign exchange needs.

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