



STATE BANK OF PAKISTAN

I.I.Chundrigar Road
Post Box No.4456, Karachi.

**Treasury Operations
Department**

Circular No 01 of 2009

16th September, 2009

All Banks (Authorized Dealers)/ All Islamic Banks

Dear Sirs / Madam,

FX Interbank Deal/ Trade Confirmations and Settlements

It may be noted that as per existing practice, banks provide Deal/ Trade confirmations to Domestic Markets and Monetary Management Department (DMMD) of SBP while they provide PKR debit/ credit authority letters to SBP BSC (KO). Further, SBP BSC (KO) is also currently handling the FX settlements of interbank deals/ trades and related issues/ queries of the banks, if any.

It is hereby informed that SBP has re-engineered its process relating to treasury operations internally for the captioned subject and is striving to bring the same in-line with the best international practices. All banks/ Islamic banks are advised to ensure compliance to the following instructions:

1. All FX Interbank Deal/ Trade (between SBP and counterpart) Confirmations (either through SWIFT Message MT-300 or letter via postal mail) shall be directly exchanged with Treasury Operations Department (TOD) of SBP with effect from 5th October, 2009.
2. Treasury Operations Department of SBP will exchange/ provide confirmations with/ to banks through SWIFT (MT-300) or letter sent via postal mail.
3. All Deal/ Trade confirmations shall clearly stipulate the particulars along-with settlement instructions, in case the confirmations are provided to SBP via postal mail.
4. Treasury Operations Department (TOD) of SBP would start settlement of all FX interbank transactions (new trades as well as prior maturities) with the banks with effect from 5th October, 2009. All debit authorities relating to PKR settlements shall be provided to SBP BSC (KO) as per the existing practice.
5. In case of PKR receipts at maturity, banks are allowed to use SWIFT MT 210 instead of hard copy letter sent to SBP BSC (KO).
6. The cut-off timings for PKR settlements shall be the normal business hours i.e 1:30 p.m from Monday to Thursday & Saturday while 12:30 p.m for Friday.
7. Since Treasury Operations Department (TOD) of SBP would deal with settlements and confirmations of FX interbank transactions instead of SBP BSC (KO), therefore all FX Interbank confirmations/ settlements related *matters/ issues* shall directly be communicated to TOD of SBP from 5th October, 2009 onwards.

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8. All banks are advised to provide their Standard Settlement Instructions (SSIs) to Treasury Operations Department of SBP immediately.
9. The contact details of Treasury Operations Department (TOD) and Standard Settlement Instructions (SSIs) of SBP are annexed to this circular.

Please acknowledge receipt.

Yours sincerely,

(Muhammad Haroon Rasheed)
Comptroller Finance

Appendix

Encl:

- 1. Contact details of Treasury Operations Department, SBP Karachi.**
- 2. Standard Settlement Instructions (SSIs) of SBP.**

APPENDIX-A

CONTACT DETAILS OF TREASURY OPERATIONS DEPARTMENT, SBP FOR FX INTERBANK CONFIRMATIONS/ SETTLEMENTS

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