

Following news published in *The News* on December 11, 2017

Pak expats to have bank accounts in Pakistan

DUBAI: Pakistan's money monitoring authority, the State Bank of Pakistan (SBP) has clearly vowed to make mandatory for Pakistanis living abroad to open bank accounts back home to transfer money legally. It is expected that the move would be helpful in curbing illegal transfer of money and frauds.

Executive Director State Bank of Pakistan Syed Irfan Ali was speaking to the media after the first Pakistan's Remittance Summit 2017 held at a local hotel in Dubai on Friday.

He also believed that the country can get \$30 billion every year through foreign remittances if the challenges faced by banks and money transfer exchanges were eradicated.

The summit was organised by the Pakistan Finance Ministry and State Bank of

Pakistan in collaboration with the National Bank of Pakistan, Allied Bank Limited, MCB Bank Limited and United Bank Limited.

Pakistan had experienced a downward trend in remittances last year and received \$19.3 billion remittances but now once again the country's foreign remittances have been going up as compared to the previous fiscal year.

While talking to the media, Executive Director State Bank of Pakistan Syed Irfan Ali further stated that currently remittances are six percent of Pakistan's GDP but he expressed the hope that it should be increased to strengthen the economy. He acknowledged the de-risking and 'Hundi' (illegal transfer of money) were the major obstacles to boost the remittances. He also revealed the plans of mandatory bank accounts for Pakistanis going abroad for jobs and better incentives for the bank account holders who receive remittances so the Pakistanis living outside the homeland could remit foreign exchange through the banking sector.

Replying to a question asked by The News about the Value Added Tax's (VAT) impact on remittances, Syed Irfan Ali welcomed the VAT that is being introduced in the UAE and Saudi Arabia from January 1 and hoped that it would increase remittances through banking mode of money transfer. He also disclosed that the Pakistan Remittance Summit will be held in Riyadh and Jeddah next month.

The summit will be attended by senior officials of the foreign exchange institutions as well as executives from banking industry of the United Arab Emirates (UAE), Bahrain and Saudi Arabia.

SEVP & Group Chief, Payment Services & Digital Banking Group of National Bank of Pakistan, Mudassir H. Khan, informed the participants of the summit that 50 percent of total remittances of Pakistan were to be received from Pakistanis living in Saudi Arabia and the UAE.

Talking with The News, he said that Pakistan has witnessed more than 12 percent growth of remittances in the past 10 years, which is the highest around the globe. Referring to the Anti-Money Laundering regulations and heavy penalties on foreign exchange institutions, he said that the banks, internationally, have been facing the challenges of fear and risk of penalties.

The purpose of the summit was to find solutions to challenges and overcome the problems to increase the remittances to Pakistan.

SBP Clarification on December 13, 2017

News on Mandatory Bank Account for Pakistanis Sending Remittances Home

Apropos to the news headline titled, “Pak Expats to have bank accounts in Pakistan”, regarding mandatory bank account for overseas Pakistanis, the headline is apparently inconsistent with the actual message.

In this regard, it is clarified that a proposal has been forwarded to the relevant ministry to consider mandatory bank account by intended emigrant and his/her family member(s) before leaving Pakistan. The objective of this proposal is to create awareness amongst the Pakistanis going abroad for work through Protectorate of Immigrant Offices and accelerate financial inclusion in the country.

However, it is not applicable in case of Pakistanis already working abroad. Similarly, it does not mean that Government or State Bank of Pakistan (SBP) are considering to discontinue other products. Government of Pakistan and SBP are determined to facilitate remitters and beneficiaries. It is assured that all remittance products including Cash over Counter (CoC) or cash pick, instant account credit, Pardes Card would continue to be available to the customers.

It is worth mentioning here that GoP and SBP are striving hard to increase facilities for the remitters and beneficiaries. A new incentive scheme for beneficiaries of home remittances through mobile wallets is also going to be launched soon.