

## **Fresh Eid notes**

- July 16, 2015

Sir: I want to draw the attention of the Director of State Bank of Pakistan, regarding the circulation of fresh notes, especially before Eid. It is an extremely difficult task and unless the person has relations with the Bank officers it can safely be stated as Eid's mission impossible.

The only other source providing fresh currency notes is the black market that is demanding premium charges that are beyond reasonable affordability of a normal working class citizen of Pakistan. The bank officer circulating these new notes in the black market to avail premium charges is misusing his authority.

Another interesting phenomenon that I have observed is that when the customers at the bank request smaller currency notes, their requests are not met and often they have to make do with the huge currency bills handed out to them. The question is, if new currency notes are available throughout the year at the premium charges why can't the Bank provide similar services without these extra unnecessary charges that must be endured? Why does the State Bank not redeem itself by keeping a strict check and easily make fresh currency available to the people?

However, wonderfully the shortage of fresh note was not encountered this year. The concerned authority should take notice of the new currency reaching the banks on schedule to ensure proper circulation without the additional charges. Can the State Bank of Pakistan kindly take note of this issue and wake up to this critical hindrance in the banking system?

**ASHFAQ SHARIF**

**Karachi**

## **SBP clarification on Fresh Notes distribution during Eid days**

State Bank of Pakistan wishes to provide its clarification on the issues raised by Mr. Ashfaq Sharif in a letter to editor that appeared in your esteemed newspaper on July 16, 2015 wherein, the writer has shown concerns relating to distribution of fresh notes by the SBP and the commercial banks on the eve of Eid this year. SBP wishes to place it on record that it makes its utmost efforts every year, out of tradition, to make arrangements for smooth distribution of fresh currency notes all across the country.

Living up to this tradition, this year also SBP made arrangements for distribution of notes during Ramadan from counters of all its 16 field offices besides using branches of commercial banks across the country. In addition to these conventional methods, SBP also launched a pilot project to provide fresh bank notes to individuals by using SMS facility through the network of selected commercial bank branches in 28 cities. The move was primarily aimed at controlling the black marketing of fresh notes and ensuring availability of fresh notes to genuine needy people only. Nevertheless, controlling black marketing remains the responsibility of law enforcement agencies only.

Encouragingly, the response to this latest initiative by SBP has been very positive as around 0.2 million people availed this facility during seven working days of Ramadan. Since this procedure limited the use of computerized national identity card once only and the amounts were limited to meet the typical need of a common person, we believe that this service has successfully met the genuine needs and not been exploited by black marketers. SBP also wishes to inform readers through your esteemed newspaper that it is evaluating the response to the new initiative and is planning to expand its coverage further.

It would be pertinent to mention here that provision of fresh currency notes in a short span of time entails allocation of significant financial and human resources. Further, this is also limited by printing and storing constraints. Notwithstanding such constraints, every year SBP manages to distribute fresh currency notes of all denominations particularly at Eid-ul-Fitr. Further, to facilitate general public, the issuance of fresh notes from designated branches of commercial banks is supervised by the SBP BSC staff, while commercial banks' staff supervises the remaining branches. In case of any irregularity in issuance of the fresh notes by the staff of the SBP BSC and banks, strict action is taken against the delinquent officials.