



STATE BANK OF PAKISTAN
FINANCE DEPARTMENT
I.I CHUNDRIGAR ROAD
KARACHI

FD Circular No. 04 of 2019

December 27, 2019

The Chief Executives / Presidents
All Commercial Banks and Microfinance Banks

Dear Sir / Madam,

Elimination of Transaction Fee on Payment of Government Taxes through ADCs and OTC

1. Please refer to FD Circular No.05 of 2017 and FD Circular letter No.11 of 2018 whereby the banks were advised to add FBR and Government of Punjab as billers in the Bill Payment System (BPS) offered by 1Link (Private) Limited. The system since then is working smoothly enabling the taxpayers to pay their taxes through ADCs and Over-the-Counters (OTC) of 15,000 plus bank branches across the country. However, the taxpayers opting to use the ADCs and OTC channel for payment of their respective tax obligations, are charged a fee of Rs.10 to Rs.50 depending on the amount of tax paid and the payment channel adopted i.e. ADC or OTC.

2. In order to promote digital payment of taxes and encourage taxpayers to use highly convenient ADCs or OTC mode, it has been decided that **effective from January 1, 2020**, taxpayers shall **NOT** be charged the transaction fee (or any other fee or charge by whatever name called) for using digital mode of payment **for payment of duties and taxes of federal and provincial governments and added as a biller on the advice of SBP**. The fee shall rather, be charged to and collected from SBP on monthly basis at the rates tabulated below:-

Type of Transaction	Monetary Slab (Rupees)	Fee per Transaction (Rupees)
Alternative Delivery Channels (ADCs):- ATMs, Internet Banking, Mobile Banking Corporate Banking Portals and Call Centers	1 to 100,000	10
	100,001 to 1,000,000	20
	Above 1 million	50
Over-the-Counter (OTC)	For Transaction of any monetary value	50

3. All banks including MFBs are advised to ensure that the taxpayers paying their taxes through ADCs or OTC are **NOT** charged any transaction fee w.e.f. 1st January 2020. The Banks shall lodge their respective claims with the SBP on monthly basis on the format attached herewith as **Annexure-A**. The SBP shall make the payment within 15 days after cross verification of the banks' claims through 1Link data.

4. As the elimination of fee for taxpayers on digital payment of taxes will lead to larger number of taxpayers opting for ADC and OTC channel for payment of their taxes, the banks are advised to ensure that their ADC facilities remain up and running 24/7 and that all their branches have the necessary facilities (integration with 1Link), awareness and understanding for collecting the government taxes and duties over the counter (OTC).

5. Please acknowledge receipt.

Encl: **Annexure A-for banks**

Yours faithfully,

Sd/-
(Qader Bakhsh)
Director

The Director Finance
Finance Department
State Bank of Pakistan
9th Floor, SBP Main Building,
I.I Chundrigar Road
Karachi.

Date _____

Dear Sir,

Online Collection of Government taxes and Duties: Transaction fee claim for the Month of _____ 2020
In pursuance of your Circular No.____ dated December____ 2019, we hereby certify that following government transactions have been settled on account of our bank through ADC and OTC modes:

Government	Data Type	ADC Transactions			OTC Transactions		
		Slab I*	Slab II*	Slab III*	Slab I*	Slab II*	Slab III*
A. Federal	Number of Transaction						
	Value of Transactions						
B. Provincial							
1. Punjab	Number of Transaction						
	Value of Transactions						
2. Sindh	Number of Transaction						
	Value of Transactions						
3. Khyber Pakhtunkhwa	Number of Transaction						
	Value of Transactions						
4. Baluchistan	Number of Transaction						
	Value of Transactions						
C. Sub-national Governments							
1. AJK	Number of Transaction						
	Value of Transactions						
2. Gilgit Baltistan	Number of Transaction						
	Value of Transactions						
Total number of Transactions (X)							
Total value of the Transactions							
Rate per Transaction (Y)		10	20	50	50	50	50
Transaction Fee Claimed for each Slab (X*Y)							
Total Transaction Fee for ADCs and OTCs (Slab-I+II+III)							
Transaction Fee Claimed for the Month(ADC+OTC)							

* Slab I: Rs.1 to 100,000, Slab II: Rs.100,001 to 1 million, Slab III: Above 1 million

You are requested to please pay the above amount of claim by credit to our account maintained with the SBP Karachi. We further certify that all the tax payment transactions have been duly reconciled, reported to 1Link and settled with SBP in accordance with agreed procedure.

Yours faithfully

Chief Financial Officer

Chief Internal Auditor