CHAPTER XI

DEALINGS IN FOREIGN CURRENCY NOTES AND COIN ETC

1. Authorised Dealers and Money Changers.

2. Purchase from the Public.

3. Purchase from other Authorised Dealers and Money Changers.

4. Non-convertible Currency Notes.

5. Authorised Dealers' requirements of Foreign Currency Notes.

6. Sale to Public.

7. Sale to other Authorised Dealers.

8. Disposal of Surplus Notes.

1. Authorised Dealers and Money Changers.

(i) Authorised Dealers licence to deal in foreign exchange includes an authority to deal in foreign currency notes and coins as well. This chapter sets out the regulations, which govern the purchase and sale of foreign currency notes and coins.

(ii) Besides Authorised Dealers, the State Bank has granted Authorised Money Changers Licences to Pakistan nationals and resident Pakistani firms/companies to purchase and sell foreign currency notes and coins. They are required to follow the code of conduct prescribed for them vide Chapter II.

2. Purchase from the Public.

All incoming passengers, whether Pakistani or foreign can bring with them without any limit foreign currency notes, coins and other instruments which should be freely purchased by the Authorised Dealers against payment in Rupees. In all cases Authorised Dealers should issue a certificate of encashment in the prescribed form (Appendix V-10) and if so desired by the travellers, the purchase should be endorsed on the traveller's passport. In cases where the foreign currency offered for sale by a traveller had been originally obtained from an Authorised Dealer, the repurchase should be endorsed on the traveller's passport in the case of Pakistan nationals only.

3. Purchase from other Authorised Dealers and Money Changers.

Authorised Dealers may also purchase foreign currency notes, coins and other instruments freely from other Authorised Dealers and Money Changers.

4. Non-convertible Currency Notes.

Many countries have restrictions on import of their own currency notes and do not also allow their repatriation through banking system. Surplus collection of such foreign currency notes can be disposed of in the international centres at market rates. Authorised Dealers should arrange with their overseas branches or correspondents to keep them fully informed of such restrictions on import and repatriation as also about demonetisation, currency re-organization etc., in foreign countries. Such information may also be passed on by the Authorised Dealers to those Authorised Money Changers who are their customers. Authorised Dealers should regulate the sale of foreign currency notes etc., to travellers keeping in view the restrictions of the respective countries so that they are not put to any loss or inconvenience on arrival in the foreign country concerned.

5. Authorised Dealers requirements of Foreign Currency Notes.

Authorised Dealers may replenish their stocks of foreign currency notes for meeting the requirements of their customers either by purchasing them from other Authorised Dealers or by importing them from their overseas branches and correspondents.

6. Sale to Public.

Authorised Dealers may sell foreign currency notes and coins to persons proceeding abroad within the amount of foreign exchange sanctioned by the State Bank or released by the Authorised Dealers under the authority delegated to them in Chapter XVII subject to compliance of the provision of paragraph 44 of that chapter.

7. Sale to other Authorised Dealers.

Authorised Dealers may freely sell foreign currency notes and coins to other Authorised Dealers.

8. Disposal of Surplus Notes.

When Authorised Dealers are unable to dispose of their holdings of foreign currency notes by sale to the public or other Authorised Dealers, they may dispatch such surpluses to their agents or correspondents abroad for crediting their value to their foreign currency accounts.