

**1. Transaction Type & Limit:**

S.No.	Transaction Type	Transaction Limit	Description & Entities Allowed
<b>A. Business-to-Customer (B2C)</b>			
1.	Freelance of Computer and Information Systems Services	Equivalent to upto USD 1500/individual/month	Remittances received by resident individuals from reputed overseas IT firms and online platforms on account of freelance of computer and information systems services.
2.	Other Freelance services	Equivalent to upto USD 1500/individual/month	Remittances received by resident individuals from reputed overseas online platforms, firms and individuals on account of freelance services other than computer and information services.
3.	Pension Transactions	Upto Rs. 250,000/individual/month	Remittances received from known International Government and other organizations by resident pensioners on account of pensions only.
<b>B. Customer-to-Business (C2B)</b>			
1.	Utility Bills, Education, Hospitals, Superstores, Insurance Companies, Credit Card Payments etc.		Remittances received by electricity companies, gas companies, Telecoms, educational institutions and universities accredited by HEC, super stores, hospitals etc. in their consumer accounts from overseas Pakistani individuals on account of above in Pakistan.
2.	Housing Scheme		Remittances received by reputed real estate builders/developers and housing societies from overseas Pakistani individuals on account of purchase/installment of property such as residential plots, flats and buildings etc. excluding remittances for equity/participation in an enterprise.

**2. Terms & Conditions:**

- a) ADs shall obtain approval from SBP before finalization of addition in agreement or entering into a new agreement with the foreign correspondent entity.
- b) ADs shall ensure foreign correspondent entities have a robust infrastructure and the capacity to comply with legal/regulatory requirements pertaining to AML/CFT.
- c) Payments from/to reputed and well-known foreign organizations/entities shall be accepted and processed by the ADs. ADs shall ensure screening of all sending/receiving persons/entities against relevant resolutions of United Nations Security Council (UNSC), Schedules of Anti- Terrorism Act, 1997 etc.
- d) ADs shall receive payments related to abovementioned transactions in existing Non-Resident PKR-Account of overseas tie-ups.

- e) All transactions shall be account credit only, which shall be disbursed in PKR only. Cash disbursement is not permissible for any of these transactions.
- f) All payments, except freelance payments as mentioned in clause (g) below, shall be on non-repatriable basis without any exceptions.
- g) Exporters of Freelance services shall be allowed to repatriate upto 35% of the export earnings through their PKR denominated bank account in Pakistan for outward remittances. ADs shall ensure that these proceeds would be utilized only for payment of commission/discount to the overseas agents/buyers and to use the same to meet other expenses such as promotional publicity, import of Hardware/Software, foreign consultant's fee etc.
- h) Under no circumstances, should an AD resort to netting off inflows and outflows with entities both within and outside Pakistan.
- i) Transactions under above mentioned categories shall **not** be claimed under 'Reimbursement of TT Charges Scheme'. All such transaction shall be on "*Fee-Based Model*".
- j) All such transactions will be reported under the Schedule and Purpose Codes to be assigned by Statistics & Data Warehouse Department (SDWHD) for International Transaction Reporting System (ITRS).
- k) Banks should not execute transactions which fail to fulfill KYC/CDD/CFT/AML requirements and develop systems/controls to determine whether an STR has to be filed with FMU or not as per existing defined procedures.

**3. Essentials of the Agency Agreement:**

- a) The addition in agreement should be for payment of the above mentioned remittances in PKR only.
  - b) All funds against aforesaid remittances should be received in advance in foreign correspondent entity's Non Resident PKR Account/Vostro accounts maintained with banks in Pakistan.
  - c) Foreign correspondent entities shall include the following information in the message or payment instruction which should remain with the funds/wire transfer throughout the payment chain: (a) name of the originator; (b) originator's account number (or unique reference number which permits traceability of the transaction); (c) name of the beneficiary; (d) beneficiary's account number (or unique reference number which permits traceability of the transaction).
  - d) ADs and their foreign correspondent overseas shall be fully responsible to conduct scrutiny of all transactions from AML/CFT/KYC perspective and ensure that each transaction is as per laws/regulations of respective jurisdictions.
  - e) The agreement should not compromise State Bank's right to revoke the agreement at any time.
4. All ADs shall enter into separate agreements with commercial entities to ensure efficient execution of responsibilities and mechanism to resolve disputes between customers and businesses in case of delay of payments etc.
5. Transactions received on behalf of foreign entities may be transferred from one AD to another AD through MT-103/RTGS without prior approval of SBP.
6. In case where the amount of remittance is not credited/paid to/on behalf of the beneficiary, the beneficiary shall be entitled to a compensation of sixty five (65) paisa per thousand rupees per day for the number of days credit/payment on account of delay. The banks are, therefore, directed to ensure that the amount of remittances is credited/paid to/on behalf of the beneficiary within time frame laid down in FE Circular No. 04 dated August 22, 2009.