

Operational Instructions for Reimbursement of TT Charges Incentive Scheme (TTCIS)

State Bank of Pakistan (SBP)'s instructions regarding the eligibility and submission of claims and related requirements for the Authorized Dealers, Microfinance Banks and Exchange Companies (collectively referred to as 'Financial Institutions(FIs)') have been compiled underneath:

i. Eligible Transactions

Home Remittance transactions, meeting the following conditions, shall be eligible for Reimbursement of TT Charges:

- a. The FIs and their Overseas Correspondent Entities (OCEs)¹, in the chain of transaction, have not charged their customers (beneficiary & remitter) any fee, commission and charges etc. at any stage of sending or receiving Home Remittance transactions.

[FIs shall suitably incorporate a clause in their Home Remittance Disbursement Agreements with OCEs to ensure compliance of above condition.]

- b. The amount of Home Remittance transaction is not below USD 200 or equivalent in other currencies.
- c. Transactions sent from the same remitter to same beneficiary on the same day shall be treated as one transaction and hence only one transaction shall be eligible for the Reimbursement of TT Charges; irrespective of the number of transactions.
- d. Only five (5) free of cost transactions in a month from a single remitter to the same beneficiary through the same OCE shall be allowed under the scheme.
- e. The transactions shall contain accurate identity of both remitter and beneficiary.

ii. Additional Requirements for Exchange Companies (ECs)

- a. ECs shall surrender 100% of the foreign exchange received on account of inward home remittances, in equivalent US Dollars, in the interbank market on the same day.
- b. The transactions by ECs for the purposes other than home remittances, such as settlement of credit card payments or sale of export proceeds of foreign currencies, shall not be eligible for the incentive scheme.
- c. Additional procedures and documentation to be followed by ECs are given at **Annexure I**.

iii. Submission of Transactional Details

FIs shall submit their transactional details **for all eligible transactions**, pertaining to their claims for the preceding month, on the proforma (**Annexure II**) in soft form (MS Office Excel)

¹ OCEs mean all foreign entities having tie-up arrangements with domestic FIs for home remittance services, including Money Transfer Operators (MTOs), banks, exchange houses, fintechs, etc.

online through SBP Data Acquisition Portal (DAP) by 20th Day of the next month, as per data uploading instructions specified on **Annexure III**.

iv. Submission of Claims

- a. FIs shall submit their claims for the preceding month, through Regulatory Approval System (RAS), by 20th day of the next month.
- b. ADs and MFBs shall submit their claims to SBP Banking Services Corporation (SBP-BSC), Karachi Office (KO) along with the following documents / information:
 - i. Scanned copy of the application, on ADs/MFBs letterhead and duly signed by two authorized signatories, as per the prescribed format given at **Annexure IV**;
 - ii. Certificate from head of Internal Audit of the ADs/MFBs as per the format given at **Annexure V**.
- c. ECs shall submit their claims to Foreign Exchange Operations Department (FEOD), SBP-BSC along with the following documents / information:
 - i. Scanned copy of the application, on EC's letterhead as per prescribed format given in **Annexure VI**;
 - ii. Scanned copy of Account Statement(s) of Foreign Currency (FCY) and Pak Rupee (PKR) Accounts (where FX and encashment proceeds have been credited) duly authenticated by the bank/ branch;
 - iii. Scanned copy of the monthly encashment certificates as received from the bank(s) against surrendering of FX/ USD;
 - iii. Certificate from head of Internal Audit of the EC as per the format given in **Annexure VII**.
- d. FIs shall thoroughly examine claims and requisite documents/ information prior to submission through RAS. Discrepant claims shall be returned for resubmission at the earliest but no later than 3 working days. In case of limited funds from government, the claims complete in all respects shall only be considered eligible for disbursement on First In First Out (FIFO) basis.
- e. Payment of eligible claims after due processing, shall be made electronically to the FIs' account maintained with an AD.
- f. SBP reserves the right to defer/ hold payment of any claim for examination/ scrutiny and may require submission of further supporting documents/ information, if deemed appropriate.

v. Certification of Claims

All claims submitted under this scheme shall be audited by the FI's Internal Audit Department, to verify that the claims are in conformity with the instructions issued by SBP and SBP-BSC on the subject, from time to time. A certificate to this effect by the FI's Head, Internal Audit Department shall be submitted certifying as follows:

- a. The FI and the overseas correspondent entity have not charged its customers any fee, commission or any other charges at any stage for processing the Home Remittance transaction.

- b. The claims contain accurate identities of both remitter and beneficiary.
- c. No claim/ transaction below the prescribed threshold of USD 200 or equivalent in other currencies has been included in the claims.
- d. No transaction has been split to avail undue benefit under the scheme.
- e. In case a claim is found to contain transactions below the prescribed threshold or equivalent in other currencies or split transactions detected at any stage, SBP/ SBP-BSC shall have the right to recover such amount from FI's current account maintained with SBP-BSC.
- f. Reimbursement claim being submitted has been duly audited by the Internal Audit Department of the FI.
- g. The claim(s) do not include transactions that pertain to remittances received or credited in RDA (Non Resident Pakistanis Rupee Value Account (NRVA)/Non Resident Pakistanis Rupee Business Value Account (NRBVA)), as per EPD Circular Letters No. 11 of 2021 and No. 14 of 2022. (Not applicable on ECs)

vi. Other Conditions:

- a. Any OCE having a tie-up relationship with domestic FI, shall not, directly or indirectly through an arrangement with any other entity, withhold FCY abroad for any remittance transaction intended for Pakistan.
- b. If any OCE is found to have been involved, directly or indirectly in collusion with other OCE, in splitting of remittance transactions to gain undue benefit under the TT charges scheme, the delinquent OCE may be suspended/debarred from dealing with Pakistani FIs and shall be obligated to return excess amount claimed. In this regard, FIs shall periodically engage with their OCEs to create awareness about the applicable rules and regulations, and possible consequences for non-compliance.
- c. FIs must implement effective controls, including data analytical/system monitoring tools, periodic audits, etc., to prevent OCEs from misusing the TT charges scheme. The reviews/controls shall be robust enough to prevent digressions such as splitting of remittance transactions, misreporting, disguising of identity of remitters, etc. In the event of non-compliance by an OCE, FIs shall take appropriate action in the matter and inform the Director, Exchange Policy Department, SBP accordingly.
- d. Failure to comply with the above instructions shall attract penal action under relevant provisions of Banking Companies Ordinance, 1962, Foreign Exchange Regulation Act, 1947 and / or Microfinance Institutions Ordinance 2001.

Additional Procedures and Documentation for ECs

- a. ECs may either open and maintain a single Separate Foreign Currency Account (SFCA) for receiving home remittances from all MTOs or maintain separate SFCAs for each MTO. Such account(s) shall only be used for transactions related to home remittances, and its commission/ fee or exchange gains, received from the MTOs.
- b. ECs shall develop internal procedures and respective documentation requirements, duly approved by their Board of Directors, to maintain relevant records and file claims. The internal procedures shall include the following minimum requirements and documentation:

- i. **Payment to Beneficiaries:** ECs shall pay PKR to individual customers and report individual remittance transactions in PKR, through the DAP under code “**2110 (Workers' remittances)**” of Book Transactions (Summary – 1).
- ii. **Settlement with MTOs:** ECs shall devise a mechanism to obtain/ maintain system based (electronic) settlement deals on daily basis. Further, a system based monthly statement shall be made available, comprising of the following:
 - 1. Amount Disbursed (PKR);
 - 2. Settlement Amount (USD) along with Settlement ID/ Advice No;
 - 3. Details of other charges including commission/ fee/ FX gain/ etc.

In addition, ECs shall also maintain date-wise details of commission/ exchange gain received during the month.

- iii. **Transfer of FX/ USD from MTOs:** The ECs shall receive FX/ USD from MTOs in its related Foreign Currency Account (FCA) on pre-agreed terms. ECs shall obtain and maintain Statement of Account on monthly basis from their bank, comprising of the following against each transaction:
 - 1. Date of transaction;
 - 2. Particulars containing mode of transaction (FTT/ Selling of USD etc.), Sending and Receiving Entities (WU/ MG/ RIA etc.), SWIFT/ TTs number etc.;
 - 3. Instrument number and time, Amount, and Balance.
- iv. **Selling of FX/ USD in the Interbank Market:** The ECs shall sell/surrender 100% of foreign currencies received on account of inward home remittances, in interbank market on the same day. For the purpose, ECs shall document all deals made with the bank(s) on daily basis and keep record of relevant documents. ECs shall also obtain and maintain a monthly statement/ Encashment Certificate for their FX/ USD sales to bank(s). The Account statement, as mentioned above, shall also reflect all such encashment/ transactions.
- v. ECs shall maintain detailed records of transactions related to inward home remittances, amounts received in FCY account with an AD, amount surrendered in the interbank market, and claims submitted to SBP.

Annexure II

To be Submitted in Soft Form

TRANSACTIONAL DETAILS IN RESPECT OF REIMBURSEMENT OF TT CHARGES ON HOME REMITTANCES

Name of Financial Institution _____

Month _____

Sr. No.	Name of Remitting Bank/ Exchange Company Abroad	Full Name of Remitter	Passport Number of Remitter *	Transaction Booking Country	Full Name of Beneficiary	CNIC/Account Number of Beneficiary	Amount in Equivalent Foreign Currency	Amount in Pak Rupees	Date of Remittance	Date of Payment to the Beneficiary
	General format	General format	General format	ISO 3166-1 alpha-3 codes	General format	General format - No spaces or hyphens	Accounting format up to 2 decimals	Accounting format up to 2 decimals	Short Date format	Short Date format 29/02/23

* If Passport Number of remitter is not available, Customer Unique Identification Number (Iqama, Social Security, etc.) may be provided.

Reimbursement of T.T Charges against Home Remittances – Instructions for Submission of Transactional Details through DAP Portal

1. FIs shall submit transactional details of all eligible transactions, pertaining to their claims of the preceding month for Reimbursement of TT Charges Scheme, on the proforma (**Annexure II**) in soft form (MS Office Excel) online through DAP by 20th day of the next month.
2. In case the data file cannot be uploaded or downloaded for some technical reasons, SBP-BSC, KO may ask the FI(s) to provide that particular month's data on CD.
3. Claims shall not be considered for reimbursement unless data submitted through DAP and original claim letter/audit certificate have been received by SBP-BSC, KO.
4. DAP shall only accept .xlsx. format of the excel file. Therefore, FIs must ensure that the excel file is of .xlsx format only while uploading the data.
5. Since DAP shall remain available until the 20th of each month for the purpose of data submission of preceding month, therefore, FIs are strictly advised to ensure timely submission of data. The said portal shall automatically be closed for submission at 11.59 pm on 20th of each month.
6. Requests for extension of days for the submission of data shall only be entertained on genuine grounds. Such requests, if any, shall officially be forwarded to SBP-BSC, KO via email with valid reasons for the delay at least 3 working days before the closure of DAP for that particular month. However, FIs are strongly encouraged to submit data within the defined time period.
7. FIs are also advised to approach SBP-BSC, KO via email in case of any revision in data submitted already.
8. All the queries/issues related to data submission through DAP shall be forwarded to SBP-BSC, KO.

Claim Application (for Banks and MFBs)*[On the Letter Head of Bank/MFB]*

The Chief Manager,
State Bank of Pakistan (SBP),
Banking Services Corporation (BSC),
Karachi Office (KO).

Dated: _____

Subject: Claim Application for Reimbursement of T.T. Charges against Home Remittance for the Month of

In terms of EPD Circular Letter No. xx of 2025 dated June xx, 2025, we submit herewith claim for the month of _____ having total ____ transactions amounting PKR _____ as per calculations mentioned in below table:

Sr. No.	Month of Remittance	Month of Payment	Incentive Per Eligible Transaction	SAR Rate Used*	No. of Transactions	Total Claim Amount
1.						
2.						
..						
Grand total						

* Weighted average exchange rate of the month of remittance

2. As per instructions, transaction wise claim data has been uploaded on DAP.
3. Accordingly, it is requested to please credit the claim amount to our current account maintained with SBP BSC KO.

Bank's Remittance Head

Authorized Signatory

Authorized Signatory

Audit Certificate of the Internal Audit (By Banks and MFBs)

[On the Letter Head of Bank/MFB]

The Chief Manager,
State Bank of Pakistan (SBP),
Banking Services Corporation (BSC),
Karachi Office (KO).

Dated: _____

Subject: Audit Certificate for Reimbursement of T.T. Charges against Home Remittance for the Month of

It is certified that:

- i. All the documents and data provided for claiming incentive under subject scheme for Home Remittance for the month of <MM-YYYY> submitted by the <Name of Financial Institution> to SBP BSC, KO is duly audited by Internal Audit and found to be complete and correct in all aspects and is in line with the instructions and SOPs issued by SBP from time to time.
- ii. The FI and the overseas correspondent entity have not charged its customers any fee, commission or any other charges at any stage for processing the Home Remittance transaction.
- iii. The claims contain accurate identities of both remitter and beneficiary.
- iv. No claim/ transaction below the prescribed threshold of USD 200 or equivalent in other currencies has been included in the claims.
- v. No transaction has been split to avail undue benefit under the scheme.
- vi. The claim(s) do not include transactions that pertain to:
 - a. funds received or credited in RDA, as per EPD Circular Letter No. 11 of 2021 and related instructions issued by SBP from time to time;
 - b. funds received or credited for Business-to-Customer (B2C), Customer-to-Business (C2B) and Business-to-Business (B2B) purposes, as per EPD Circular Letter No. 14 of 2022 and related instruction issued by SBP from;

FI's Head, Internal Audit Department

Authorized Signatory

Authorized Signatory

Claim Application (for ECs)[On the Letter Head of EC]

Ref No. _____

Date: _____

The Director
 Foreign Exchange Operations Department (FEOD)
 SBP Banking Services Corporation (SBP-BSC)
 Head Office
Karachi.

Dear Sir/ Madam,

Claim under TT Charges Incentive Scheme for the month of 20xx.

In terms of EPD Circular Letter No. xx of 2025 dated June xx, 2025, I/We, M/s _____
 having NTN No. _____ submit herewith claim for the month of _____ having total _____
 transactions amounting PKR _____ as per calculations mentioned in below table:

Sr. No.	Month of Remittance	Month of Payment	Incentive Per Eligible Transaction	SAR Rate Used*	No. of Transactions	Total Claim Amount
1.						
2.						
..						
Grand total						

* Weighted average exchange rate of the month of remittance

2. I/We hereby confirm that the EC has surrendered 100% of the Foreign Exchange (FX), received from Money Transfer Operators (MTOs) against the payments of inward home remittances, in the interbank during the month of Month, Year (e.g. July, 2025).

3. The eligible claim may please be disbursed into the account of our company bearing IBAN No. PKXXXXXXXXXXXXXXXXXXXXXXX maintained with Branch Name of the BANK Name. We undertake that our claim is eligible and genuine as per the conditions laid out by the SBP and no additional/wrongful amount has been claimed. In case of any discrepancy observed subsequently, SBP/ SBP-BSC may initiate regulatory action under relevant provisions of the FERA, 1947.

4. I/We, further, undertake that if our claim is found to be ineligible, SBP-BSC may debit the claimed amount from our account maintained with SBP or may adjust from subsequent claims.

5. As required under the operational instructions, issued for implementation of this scheme, following documents have been attached for processing the claim:

- i. Monthly FCA/PKR account Statement.
- ii. Monthly encashment certificate.

iii. Certificate from internal auditor.

6. Further, as per instructions, transaction wise claim data has been uploaded on DAP.

7. Accordingly, it is requested to please credit the claim amount to our above mentioned account.

Regards,

(Signature & Stamp of CEO of Exchange Company)

Annexure VII

Audit Certificate of the Internal Audit (By ECs)

[On the Letter Head of EC]

Ref No. _____

Date: _____

The Director
Foreign Exchange Operations Department (FEOD)
SBP Banking Services Corporation (SBP-BSC)
Head Office Karachi (HOK)

Dear Sir/ Madam,

Subject: Audit Certificate for Reimbursement of T.T. Charges against Home Remittance for the Month of

It is certified that:

- i. All the documents and data provided for claiming incentive under subject scheme for Home Remittance for the month of <MM-YYYY> submitted by the <Name of Exchange Company> to SBP BSC, FEOD is duly audited by Internal Audit and found to be complete and correct in all aspects and is in line with the instructions and SOPs issued by SBP from time to time.
- ii. The EC and the overseas correspondent entity have not charged its customers any fee, commission or any other charges at any stage for processing the Home Remittance transaction.
- iii. The claims contain accurate identities of both remitter and beneficiary.
- iv. No claim/ transaction below the prescribed threshold of USD 200 or equivalent in other currencies has been included in the claims.
- v. No transaction has been split to avail undue benefit under the scheme.

Head of Internal Audit
(Sign and Stamp)