

**Para 11A. Distribution of Services by Intermediaries/Aggregators**

(i) Authorized Dealers (ADs) may execute remittances on behalf of companies incorporated in Pakistan which are acting as intermediaries or aggregators between foreign service providers and service acquirers/users in Pakistan, subject to the terms, conditions, and procedures stipulated hereunder.

(ii) The permission under this para shall apply to the intermediary/ aggregator arrangements relating to digital advertising and IT-related services, including Subscription Video on Demand (SVOD) and digital music services, where such services are sourced directly from abroad through the original service providers, principal service owners, or their duly authorized agents. Further, companies engaged, whether directly or indirectly through their group entities, in inward remittance-related services are not permitted to act as intermediary/ aggregator for this purpose.

(iii) The underlying agreements between the intermediaries/aggregators and foreign service providers shall not, whether expressly or implicitly, contain any provision relating to late payment charges or interest, or payments pertaining to digital assets (including gifts, vouchers, tokens, stars, etc.), gambling, immoral activities, or financial services. Moreover, the collection of funds from local service acquirers must be in Pak Rupees.

(iv) Authorized Dealers are permitted to effect remittances in favor of foreign service providers listed in Appendix V-151, up to a maximum annual limit of USD 5 million per entity. In case, the foreign service provider is not listed in Appendix V-151, or the aggregate annual remittance exceeds the prescribed annual limit of USD 5 million, the intermediary company shall, prior to offering or facilitating such services, obtain acknowledgment of the underlying agreement from the Foreign Exchange Operations Department (FEOD), SBP-BSC, through its Authorized Dealer.

(v) Eligible companies shall submit an application for this purpose to a branch of an Authorized Dealer for processing by the centralized unit of the Authorized Dealer along with the following documents/information:

- a. Copy of the agreement/draft agreement, as the case may be.
- b. Detailed business model of the applicant, including scope of services, target customers, transaction flow, and local payment partners, if any.
- c. Terms of payment to foreign service provider(s) including frequency of payment.
- d. Expected annual foreign exchange outlay.
- e. Approval from any relevant regulatory authority, where applicable.
- f. Undertaking by the applicant confirming that:

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- i. the company has the capability to maintain separate foreign service provider-wise record of transactions and payments, particularly where multiple arrangements exist; and
- ii. the company is not engaged, directly or indirectly through its group companies, affiliates, or related entities, in inward remittance business, including home remittances and freelancer-related inflows.
- iii. a separate Pak Rupee account shall be maintained exclusively for collection of funds under this arrangement, and no funds other than those related to the approved activity shall be credited into such account.

(vi) Upon receipt of complete documentation, the centralized unit of the Authorized Dealer shall undertake necessary due diligence of the proposed arrangement under the applicable laws, rules and regulations including those relating to applicable AML/CFT/CPF regime and taxation.

(vii) In cases where a related party relationship exists between the foreign service provider and the intermediary/ aggregator, the Authorized Dealer shall obtain an external auditor's certificate (holding a satisfactory QCR rating), confirming that the business arrangement complies with arm's length pricing principles.

(viii) Where the foreign service provider is listed in Appendix V-151 and the annual remittance amount does not exceed USD 5 million, the Authorized Dealer may, subject to its satisfaction, acknowledge the arrangement at its own end and designate the respective branch/business unit for the purpose. In all other cases, the complete application shall be forwarded to FEOD, SBP-BSC for acknowledgment.

(ix) Following the acknowledgement of the underlying agreement, the designated Authorized Dealer shall allow remittances subject to submission/review of the following documents:

- a. Copy of the acknowledged agreement.
- b. Invoices/bills received from service providers in accordance with the agreement.
- c. Certificate from an external auditor (with satisfactory QCR rating) confirming:
  - i. verification of services acquired and distributed;
  - ii. reconciliation of funds to be remitted with those collected from service acquirers;
  - iii. that remittance amounts do not include any late payment charges, interest, or payments related to digital assets including gifts, tokens, stars, gambling, immoral activities, or financial services;
- d. Confirmation from the applicant that transactions originate from genuine customers.

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- e. Verification by the designated Authorized Dealer, that a dedicated Pak Rupee account has been opened exclusively for the collection of funds under this arrangement, and that only funds related to the approved activity are credited to this account.
- f. Verification by the designated Authorized Dealer that remittance amount does not contain any funds pertaining to late payment charges or interest, or payments pertaining to digital assets (including gifts, vouchers, tokens, stars, etc.), gambling, immoral activities, or financial services.

(x) The designated Authorized Dealer shall submit a monthly entity-wise consolidated report to the FEOD, SBP-BSC, through the Regulatory Approval System (RAS), within five (5) working days of the end of each calendar month, in the following format:

<b>S. No.</b>	<b>Applicant Name</b>	<b>Beneficiary Name</b>	<b>Date of Acknowledgement</b>	<b>No. of Remittances Effected during the Month</b>	<b>Total Amount Remitted (USD)</b>
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>

(xi) Notwithstanding anything contained herein, where any suspicious transaction, deviation from the permitted scope, or compliance concern is identified at any stage, the Authorized Dealer shall immediately refer the matter to FEOD, SBP-BSC for guidance and clearance prior to effecting any remittance.

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**LIST OF DISTRIBUTORS OF SERVICES**

<b>Sr. No.</b>	<b>Name of Company</b>
1	Google LLC
2	Meta Platforms Inc.
3	Microsoft Corporation
4	Oracle Corporation

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